GOVERNMENT OF INDIA

PLANNING COMMISSION

सत्यमेव जयते

FOURTH FIVE YEAR PLAN—RESOURCES, OUTLAYS AND PROGRAMMES

TWENTY-SECOND MEETING

of the

NATIONAL DEVELOPMENT COUNCIL

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FOURTH FIVE YEAR PLAN—
RESOURCES, OUTLAYS AND PROGRAMMES

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I

INTRODUCTION

The Memorandum on the Fourth Five Year Plan prepared by the Planning Commission in October 1964 was considered by the National Development Council at its twentyfirst meeting held on October 27 and 28, 1964. While generally endorsing the proposals of the Planning Commission regarding the size and objectives of the Fourth Five Year Plan, the Council laid special emphasis on according top priority to agricultural development and providing resources and inputs sufficient to achieve a rate of growth of not less than 5 per cent per annum in regard to agricultural production. The Council also decided that in the field of social services, priority should be given to family planning, technical education and supply of drinking water in both rural and urban areas. In respect of other sectoral allocations, the Council was of the view that as compared to the Third Plan the step-up on outlays on power, major irrigation and transport was likely to prove sufficient; there was at the same time some doubt whether it would be possible to provide for as large an increase in the allocations for social services as had been envisaged in the Memorandum. The Council suggested that these questions be further examined.

2. The National Development Council, while recognising the need for a development effort of the dimensions indicated in the Memorandum, also noted that the tentative estimate of resources available at that time did not seem adequate to finance a total outlay of the order of Rs. 22,500 crores. The consensus in the Council was that the current economic situation in the country would not permit of any recourse to inflationary financing of Plan outlays. It was felt that if a total outlay of the order of Rs. 22,500 crores was to be made feasible, a careful study of the scope for raising additional resources for the Plan should be made and total size of the Plan effort should be determined on the basis of non-inflationary sources of finance likely to be available to the public and private sectors.

3. In pursuance of these suggestions, the National Development Council constituted five sub-committees to consider respectively—

(a) Agriculture and Irrigation.

(b) Industry, Power and Transport.

(c) Social Services.

(d) Resources.

(e) Development of Hill areas.

The Council further suggested that the Central Government should indicate the directions in which additional resources might be raised by States in the Fourth Plan so that a broadly uniform all-India approach to resource mobilization might be evolved.

4. Subsequently, the various sub-committees set up by the Council, have, along with the Planning Commission and the concerned Central Ministries, re-examined the sectoral programmes of development as well as questions relating to aggregate resources for the Plan. The conclusions and recommendations of these sub-committees have been circulated separately to the National Development Council. In the meantime, the Planning Commission had asked the Resources Working Group to present a further report, taking into account the budget of the Central and State Governments for 1965-66, the Annual Plans for the last year of the Third Plan and other developments in the economy having a bearing on resource generation and resource mobilisation. The Commission had also requested the State Governments to prepare preliminary memoranda on their Fourth Five Year Plans, subject to the recommendation of the National Development Council that the outlays proposed in each case may not exceed twice the outlays of the Third Plan.

5. The preliminary memoranda of the States together with the tentative estimates of States' resources were discussed by the Planning Commission with each State in a series of meetings held during June/July 1965. The report of the Resources Working Group became available to the Planning Commission in July 1965 and the Commission has had the opportunity of discussing with the Resources Working Group the recommendations set out in that Group's Report. With the assistance of the members of the National Planning Council, Central Ministries and various other agencies in the public and private sectors, the Commission has examined in considerable detail the physical contents of the sectoral programmes which could be undertaken in the Fourth Plan period, keeping in mind the administrative and financial constraints that may be relevant to the Plan as a whole.

6. These discussions and deliberations have led to certain alterations in the total outlay and in the sectoral allocations which had been set out in the Memorandum. The Commission's proposals for the re-formulation of the Fourth Plan, along with the policy decisions required for the effective implementation of the Plan, are set out in this note for the consideration of the National Development Council.

7. Besides policy measures that will be required for adequate resource mobilisation and more efficient plan implementation on a national scale, a number of operational decisions to be taken in respect of individual sectors have been recommended by the respective Committees of the National Development Council. These recommendations have been listed separately for the consideration of the National Development Council.

II

Size of Plan Outlay

8. It will be recalled that in the Memorandum a range of Rs. 21,500 crores to Rs. 22,500 crores was indicated as the total outlay in the Fourth Plan period. Of this, Plan outlay in the public sector was to be between Rs. 14,500 and 15,500 crores, and Plan investments in the private sector was anticipated at Rs. 7,000 crores. Public sector requirements indicated in the Memorandum added up to a total of Rs. 15,620 crores, whereas resources postulated for public sector outlay were only Rs. 14,500 crores. Because of this discrepancy, it was stated in the Memorandum that projects in the public sector involving a total outlay of Rs. 1,000 crores should be identified and their implementation made contingent upon improved prospects for resource mobilization in the later part of the Plan period.

9. The question of the aggregate Plan outlay was left somewhat flexible at that stage to enable a further examination, in consultation with the Committees of the National Development Council, State Governments and Central Ministries, of both the physical programmes to be included in the Fourth Plan and the resources mobilization effort that could be undertaken. It was, however, agreed that before the Plan was finalised a firm decision on the size of the Plan outlay should be arrived at. This was considered essential in view of the great importance of avoiding inflationary financing in the public sector or undue credit creation for financing private investments in the Fourth Plan period. It was also the general view that it would not be operationally advisable to leave any gap between the physical programmes and the financial provisions.

10. The Planning Commission is of the view that a firm decision on aggregate Plan outlay should now be taken so that a Draft Outline of the Plan can be drawn up in greater details and on the basis of closer estimates. After a careful consideration of all the relevant factors, the Planning Commission considers that with necessary effort it would be possible to mobilize adequate resources for a total Plan outlay of Rs. 14,500 crores in the public sector and Plan investment of Rs. 7,000 crores in the private sector over the five year period. In arriving at this judgment, the Planning Commission has sought to balance the urgent needs of development on the one hand with the equally urgent need of avoiding further increases in domestic prices and further deterioration of the balance of payments.

11. If total Plan outlay is to be contained within the ceiling of Rs. 21,500 crores, it will obviously be necessary to adjust downwards some of the physical targets set out in the Plan Memorandum. It is proposed to make these adjustments in such a way that two essential conditions are satisfied : firstly, requisite financial resources are fully provided for activities like agricultural development, family planning, export promotion, drinking water supply, etc., for which very high priority has to be accorded, and

secondly, emphasis is laid in all sectors on securing the largest possible increase in output from investments already made or from investments to be undertaken in the initial years of the Fourth Plan. In other words, the larger part of the impact of bringing down Plan outlay from the Memorandum-aggregate of Rs. 22,500 crores to the level of Rs. 21,500 crores now considered feasible, is likely to fall on programmes and activities the benefits from which will accrue in the Fifth Plan period. It has become necessary to forego some of these benefits, which were expected to accrue in later years, because of the large effort that is currently needed for ensuring that a Plan programme of Rs. 21,500 crores is fully non-inflationary. It follows that corresponding to the adjustment in the size of the Fourth Plan outlay, the perspective for the longer period will also have to be redrawn somewhat differently from what would have been consistent with the larger outlay mentioned in the Memorandum.

12. The size and pattern of outlays that are now proposed for the Fourth Plan in the public and private sectors are given below :

(Rs. crores)

	Public Sector			Private sector investment	Total investment	Total Plan Outlay (Public and Private sectors)
	Total	Current outlay	Investment			
1	2	3	4	5	6	7
Agriculture . . .	2,372	858	1,514	700	2,214	3,072
Irrigation . . .	924	...	924	...	924	924
	3,296	858	2,438	700	3,138	3,996
Power	1,828	...	1,828	50	1,878	1,878
Small Industry . .	395	145	250	400	650	795
Organised Industry .	2,866	...	2,866	2,400	5,266	5,266
Transport and Communications . . .	2,768	...	2,768	650	3,418	3,418
	7,857	145	7,712	3,500	11,212	11,357
Education . . .	1,260	715	545	100	645	1,360
Scientific Research	148	61	87	...	87	148
Health .	578	364	214	...	214	578
Water supply	371	...	371	..	371	371
Housing .	297	10	287	1,470	1,757	1,767

1	2	3	4	5	6	7
Welfare of Backward Classes . . .	188	120	68	...	68	188
Social Welfare . .	54	45	9	10	19	64
Craftsmen Training and Labour Welfare . .	143	83	60	...	60	143
Public Cooperation .	12	7	5	...	5	12
	3,051	1,405	1,646	1,580	3,266	4,631
Rural Works, Hill Areas and Special Areas	148	18	130	...	130	148
Rehabilitation . .	69	15	54	...	54	69
Miscellaneous	79	25	54	...	54	79
Inventories . .	*	*	*	1,200	1,200	1,200
	296	58	238	1,200	1,438	1,496
GRAND TOTAL .	14,500	2,466	12,034	6,980	19,014	21,480

*Part of the inventories under public sector is caused in sectoral outlays and part will also be financed through the banking system.

The total outlay indicated above may be compared with the provision in the Memorandum of Rs. 22,600 crores (Rs. 15,620 crores public sector and Rs. 6,980 crores private sector). It may also be compared with the Third Plan provision of Rs. 11,600 crores (Rs. 7,500 crores public sector and Rs. 4,100 crores private sector). Investment in the private sector has been kept at the same figure as indicated in the Memorandum. A technical committee has been set up to examine this investment and is expected to submit its report shortly.

13. A table showing the comparative provisions in the Third Plan, the Memorandum and the proposals now made under each head of development, together with the percentage distribution, is given below :—

(Rs. crores)

	Anticipated expenditure in the Third Plan	Allocation in the Memorandum	Allocation now proposed	Percentage distribution		
				Of Col. 2	Of Col. 3	Of Col. 4
1	2	3	4	5	6	7
Agriculture .	1,090	2,400	2,372	13·3	15·4	16·4
Irrigation	648	1,000	924	7·9	6·4	6·4
	1,738	3,400	3,296	21 2	21·8	22·8

1	2	3	4	5	6	7
Power	1,187	1,950	1,828	14·5	12·4	12·6
Small Industry	233	450	395	2·8	2·9	2·7
Organised Industry	1,662	3,200	2,866	20·3	20·5	19·8
Transport and Communications	1,940	3,000	2,768	23·6	19·2	19·1
	5,022	8,600	7 857	61·2	55·0	54·2
Education	557	1,400	1 260	6·8	9·0	8·7
Scientific Research	72	175	148	0·8	1·1	1·0
Health	240	750	578	2·9	4·8	4·0
Water Supply	105	340	371	1·3	2·2	2·6
Housing and Construction	112	400	297	1·4	2·6	2·0
Welfare of Backward Classes	104	205	188	1·3	1·3	1·3
Social Welfare		65	54		0·4	0·4
Craftsmen Training and Labour Welfare		145	143		0·9	1·0
Public Cooperation	250	15	12		0· 1	0·08
		3,495	3,051		22·4	21·08
Rural Manpower, Hill Areas and Special Areas		25	148		0·2	0 1
Rehabilitation		50	69		0·3	0·5
Miscellaneous		50	7[illegible]		0·3	0 5
Inventories		a	a		a	a
		125	296		0·8	2·0
GRAND TOTAL	8,200	15,620	14,500	100·0	100 0	100·08

(a) Part of the inventories is covered in sectoral outlays and part will also be financed through the banking system.

In keeping with the recommendations of the National Development Council, the proportionate outlay for the agricultural sector has been increased. It is proposed that in the Fourth Plan maximum efforts be made to secure a large growth in the agricultural sector, with a view to reducing and even obviating the need for the import of foodgrains at the end of the Plan period and also to give necessary support for larger exports of commercial crops. Priority has also been given to family planning, technical education and drinking water supply. In the Memorandum, a token provision of Rs. 25 crores was included for rural works. In lieu of this, a new

head has been suggested—Rural Manpower Programmes, Hill Areas and Special Areas. A provision of Rs. 148 crores is being made under this head and is intended to utilise rural manpower resources for productive activities and for building community assets in the rural areas, providing at the same time employment opportunities for some of the increased labour force in the countryside. Steps will also be taken to accelerate the economic development of Hill Areas and Special Areas.

14. The distribution of outlays between the Centre, the States and the Union Territories under different heads of development can be estimated with precision after the Plans have been examined and accepted in consultation with the Central Ministries and Governments of States and Union Territories.

On the existing basis of classification of Centrally sponsored, Centrally aided and State Plan schemes, a very tentative distribution of Plan Outlays under the Centre, States and Union Territories is indicated in the table below:—

Fourth Plan Outlay—Centre, States and Union Territories

(Rs Crores)

	Centre	States	Territories	Total
Agriculture	325@	1,987@	60@	2,372
Irrigation	58	859	7	924
TOTAL	383	2,846	67	3,296
Power	225	1,553	50	1,828
Small Industry	196	191	8	395
Organised Industry	2,716	145	5	2,866
Transport and Communications	2,330	383	55	2,768
TOTAL	5,467	2,272	118	7,857
Education	380	816	64	1,260
Scientific Research	148			148
Health	227	314	37	578
Water Supply	.	345	26	371
Housing	137	125	35	297
Welfare of Backward Classes	113	70	5	188
Social Welfare	30	20	4	54
Craftsmen Training and Labour Welfare	84	54	5	143
Public Cooperation	4	7	1	12
TOTAL	1,123	1,751	177	3,051

@Certain proposals which have been received from the Central Ministry of Food and Agriculture for the allocation of Central and Centrally sponsored sectors of the Plan, are still under discussion. Consequently, this distribution of outlay is liable to be altered.

1	2	3	4	5
Rural Works Hill, Areas, Backward regions and Special Areas programmes	70	64	14	148
Rehabilitation	69	...	...	69
Miscellaneous	45	33*	1	79
TOTAL . . .	184	97	15	296
GRAND TOTAL . .	7,157	6,966	377	14,500

*Includes outaly on State Capital Projects.

The bases of classification of Plan schemes as Centrally sponsored, Centrally aided and State Plan schemes are under examination and a final view will emerge after consultation with the Central Ministries and State Governments.

16. A set of statements showing the selected targets of production and development are given below:

Head of Development	Unit	1965-66		1970-71	
		Third Plan Target	Likely achievement	Target as in Memorandum	Target as now proposed
1	2	3	4	5	6
AGRICULTURE					
Foodgrains . . .	Million tonnes	100	92	120	120
Cotton	Lakh bales	70·55	63·40	65	85
Sugarcane (gur) . .	Lakh tonnes	100	110	135	135
Oil seeds	Lakh tonnes	98·2	75	100	100
Jute	Lakh bales	62	22	80	80
Consumption of Chemical fertilizers—					
(a) Nitrogenous(N) . .	Million tonnes	1·00	0·65	2·00	2·00
(b) Phosphatic (P_2O_5) .	,,	0 50	0·25	1·00	1·00
(c) Potassic (K_2O) . .	,,	0 20	0·15	0 35	0·35

1	2	3	4	5	6
Irrigation (additional utilization)					
(*a*) Major . . .	Million acres	12·80	6·7	11·00	9·00
(*b*) Minor . . .	„	12·80	13·80	17·00	17·00
Soil Conservation . .	„	11·00	11·80	20·00	20·00
Land reclamation . .	„	3·60	3·00	2·50	2·50
Extension of area through double cropping . .	„	..	..	22·50	22·50
Area under improved seeds—foodgrains . . .	„	204·00	164·00	274·00	274·00
Organic and green manures					
(*a*) Urban compost .	Million tonnes	5·00	4·42	5·40	5·40
(*b*) Green manures .	Million acres	41·00	27·90	64·00	64·00
Plant protection . .	„	50·00	40·00	160·00	160·00
IRRIGATION AND POWER					
Electricity					
(*a*) Installed capacity .	M. kW	12·7	10·3	22	21
(*b*) Generation Potential .	M. kWH.	45000	39000	88000	84000
Irrigation—					
(*a*) Cumulative potential at outlet (gross) . .	Million acres	29·5	18·4	14 (addl)	13·0 (addl)
(*b*) Cumulative utilisation (gross) . . .	„	22·8	15·0	11 (addl)	9·0 (addl)
SMALL INDUSTRIES					
1. Handlooms, Powerlooms and Khadi . Production	mil. Yds	3500	3500	5000	5000
Exports	Rs. crores	..	*12·0	..	*20·0
2. Sericulture . Production	lakh	23·0	21·5	..	31·0
Exports	Rs. crores	..	3·0	..	4·5
3. Coir . . Exports	Rs. crores	9·5	12·0	..	16·0
4. Handicrafts Exports	Rs. crores	..	24·0	..	32·0
	Internal sales through public emporia (Rs crores)	..	3 0	..	7·0 to 8·0
5. Industrial Estates	No. of new Estates	300	200	..	**300

*Figures of exports pertain to handloom cloth only.
**Including cooperative industrial estates.

1	2	3	4	5	6
TRANSPORT AND COMMUNICATIONS					
Railways					
Freight traffic	million tonnes	249	206	355	320
Roads					
Surfaced roads	000 kms	276	281	331	331
Road Transport					
Commercial vehicles on the road—					
Buses	000 Nos.	80	73	126	110
Trucks	000 Nos.	285	255	470	460
Total	000 Nos.	365	328	596	570
Major Ports					
Handling capacity	million tonnes	50	60	86 to 89	79 to 80
Shipping					
Coastal . .	Lakh GRT	3·2	4·0	4·5	4·5
Overseas . . .	Lakh GRT	7 2	11·0	25·5	25 5
Total . .	Lakh GRT	10·4	15·0	30·0	30·0
Civil Air Transport					
Air India—available capacity	million tonnes Km	NS	348	594	594
Indian Airline Corporation—available capacity	million tonnes Km	NS	185	270	342
Communications					
Post offices	000 Nos. (addl.)	17	23	15	12
Telephone connections	000 Nos. (addl.)	300	350	700	650
Public Call offices	000 Nos. (addl.)	2	2	3	2
Telegraph offices	000 Nos. (addl.)	2	2	3	2

N.S.—Not specified.

Items	Unit	Target in Third Plan	Likely achievements in Third Plan latest	As proposed in the Fourth Plan Memorandum (additional)	As now proposed additional	As now proposed targetted position
1	2	3	4	5	6	7
EDUCATION						
A. *Elementary Stage* :						
(*i*) Enrolment in classes I-V . . .	lakhs	502·9	515	150	190	705
(*ii*) Percentage of age-group (6-11) .		76 4	78·5			93 5
(*iii*) Enrolment in Classes VI-VIII .	lakhs	101 6	110	65	80	190
(*iv*) Percentage of age-group (11-14) .		29·8	32·2	..		47 4
B. *Secondary Education* ·						
(*i*) Enrolment in Classes IX-XI .	lakhs	46·1	52 4	38	38	90
(*ii*) Percentage of the age-group (14-17) . .	lakhs	15·7	17 8	..	..	22 1
C. *University Education.*						
(*i*) Enrolment in Arts, Science and Commerce	lakhs	10·82	11	4	5	16 *
(*ii*) Percentage of the age-group (17-23) .		1·9	1·9	..		2·5*
D. Technical Education (admission capacity)†						
(*i*) Diploma Courses	No.	37390 (No targets were laid down).	51,450 (2,500)	17,900 (7,100)	20,300 (16,000)	71,700 (18,500)
(*ii*) Degree Courses	No.	19,140 (No targets were laid down).	27,850 (3,000)	11,700 (1,400)	6,800 (3,500)	34,650 (6,500)

*Including 1·5 lakh students to be educated through Correspondence Courses.

†The admission capacity includes facilities for Correspondence and part-time courses. These are shown in brackets.

Items	Unit	Third Plan Target	Likely achievement latest	Target as given in the Memo. of the Fourth Plan	Target as now proposed
1	2	3	4	5	6
Health					
1. Hospital beds (including beds for PHCS)	000 Nos.	240·1	240 0	300·0	300·0
2. Doctors	000 Nos.	81·0	86·4	131·4	131·4
3. Nurses	000 Nos.	45·0	45·0	87·0 to 90·0	87·0 to 90·0
4. Aux. Nurse Midwives and Midwives .	000 Nos.	48·5	35·0	95·0	95·0
5. Dais/Nurse Dais .	000 Nos.	40 0	30 .0	280·	280·0
6. Health Visitors . . .	Nos.	3500	3500	3700	3700
Housing					
1. Subsidised Industrial Housing	No. of Houses	73,000	56,000	1,50,000	1,50,000
2. Slum Clearance .	„	1,26,000	90,000	4,00,000	3,50,000
3. Low Income Group Housing	„	75,000	45,000	2,50,000	2,25,000
4. Village Housing	„	1,25,000	30,000	3,50,000	3,25,000
5. Plantation Labour Housing .	„	3,200	1,400	75,000	50,000

Targets of Capacity and Production for Selected Industries

Industry	Unit	1965-66 Capacity	1965-66 Production	1970-71 Capacity target as in Memorandum	1970-71 Capacity (As now proposed)	1970-71 Production (As now proposed)
		Likely achievement				
1	2	3	4	5	6	7
Metals						
1. Iron and Steel						
(*a*) Steel ingots .	000 tonnes	8,900	7,100	16,500	14,600	13,000
(*b*) Finished Steel .	,,	6,600	5,300		11,000	10,000
(*c*) Pig Iron for sale	,,	1,200	1,200	4,000	3,200	3,200
2. Alloy, tool and stainless steel (finished) .	,,	50	35	500	500	400
3. Aluminium . .	,,	73	80	240	263	260
Mining :						
4. Iron Ore .	Million tonnes		22	54		56
5. Coal . . .	,,		67	125		113
Machinery						
6. Commercial vehicles	'000 nos.	44	40	100	100	100
7. Generators-Thermal	'000 Kw	600	..	2,900	3,000	1,500
8. Generators-Hydro.	'000 Kw	500	..	1,700	1,700	1,200
9. Turbines-Steam .	,,	600	..	2,900	3,000	1,500
10. Turbines-Hydro .	,,	500	..	1,700	1,700	1,200
11. Transformers 33 KV and below	'000 KVA	3,000	3,500	8,500	6,000	5,000
12. Machine tools (Organised Sector)	Rs. million	376	300	900	1,100	1,000
13. Metallurgical and other equipment	'000 tonnes	30	15	160	100	60
14. Coal and other Mining machinery .	,,	45	12·5	45	60	45
15. Cotton textile machinery .	Rs. million	400	280	500	500	450

1	2	3	4	5	6	7
16. Paper Machinery .	Rs. Million	73	22	250	400	300
17. Sugar machinery	Do.	175	90	250	250	220
18. Cement machinery	Do.	178	45	200	300	280
19. Agricultural Machinery :						
(*a*) Agricultural tractors .	'000 nos.	15	6	25	40	40
(*b*) Power driven pumps .	Do.	180	180	300	350	350
(*c*) Diesel engines (Stationary) .	Do.	150	80	140	200	200
20. Fertilisers						
(*a*) Nitrogenous (in-terms of N)	'000 tonnes	586·5	300	2,200	2,300	2,000
(*b*) Phosphatic (in terms of P_2O_5)	Do.	270	200	1,000	1,000	1,000
21. Drugs and Pharmaceuticals .	Rs. million	1,750	1,500	3,000	2,500	2,500
22. Paper and paper board .	'000 tonnes	680	530	1,350	1,250	1100
23. Newsprint .	'000 tonnes	30	30	165	165	150
24. Cement	Mill. tonnes	13·0	11·5	30·0	25·0	23·0
25. Cotton textiles:						
Cotton fabrics (mill-made) .	Mill. Metres	2·18*	4,770	5,486	2·3*	5,450
26. Sugar . . .	Mill.tonnes	3·25	3·20	4·5	4·5	4·5
27. Bicycles .	Million Nos.	2·0	1·7	3·5	3·5	3·5
28. Motor Cycles and Scooters	'000 nos.	75	50	100	120	120
29. Electric fans	Mill nos.	2·0	1·5	3·5	3·5	3·5
30. Petroleum refining.	Mill tonnes	15·25	10·55	25·25	22·75	22·75

*lakh looms.

III

FINANCIAL RESOURCES FOR THE PLAN

16. We turn now to the problem of resource mobilization. As has already been observed earlier, internal resource mobilization for the Fourth Plan has to be on the basis of non-inflationary financing during the Plan period. It follows that the utmost effort has to be made in the public sector to balance the budgets both at the Centre and in the States without having recource to loans and overdrafts from the Reserve Bank of India or banking institutions. It will similarly be necessary to ensure that no undue credit creation is permitted for financing investment or consumption in the private sector. If these criteria are to be fully satisfied it will be necessary to pursue from now on determined policies for enlarging both public and private savings sufficiently to meet the investment requirements of the Plan programme.

17. In their report to the Planning Commission, the Resources Working Group have indicated that the size of the Fourth Plan could be Rs. 21,500 crores provided an effort is made to mobilize internal resources of Rs. 3,000 crores through additional taxation and other measures and provided foreign assistance of the order of Rs. 4,000 crores is available. They have also assumed, on the basis of the studies made by the Reserve Bank of India, that private savings of the order of Rs. 7,000 crores would be directly available for private investment. As visualised by the Group, the total resources for the Fourth Plan are as follows:—

	Rs. crores
1. Public Sector resources at existing rates of taxation	11,500
2. Additional taxation	3,000
Total public sector	14,500
3. Private Investment	7,000
Total Plan Outlay	21,500

18. Subsequent to the discussions with the Resources Working Group, the Planning Commission has felt it necessary to institute a further examination of the projection of Rs. 7,000 crores made for financial resources for private investment in the Fourth Plan period. A small technical committee of officers from the Ministry of Finance, Planning Commission and the Reserve Bank of India, has been set up to work out proper estimates of private savings and investment in the Third Plan period as well as likely sources of finance for private investment envisaged for the Fourth Plan period. In the meantime, the Commission has maintained Plan investment in the private sector as in the Memorandum, *viz.* at Rs. 7,000 crores.

19. As regards the Resources Working Group's assumption in respect of foreign assistance, no precise estimate of what may become available in the Fourth Plan period can yet be made. The resources estimates in this regard are to be interpreted in terms of what may be needed rather than what has been assured or committed as yet. The details of this estimation as well as the problems connected with it are set out in a subsequent Section. In the remaining part of this Section, attention is therefore focussed upon the other elements in the resources estimate worked out by the Resources Working Group and adopted by the Planning Commission with such modification as are considered necessary in the Commission's judgment.

20. Concentrating on the public sector, the summary picture with regard to the availability of internal resources during the Fourth Plan period as indicated by the Resources Working Group is as follows :—

Resources available for the Fourth Plan

	Rs. crores
1. Balance from current revenues at existing rates of taxation	2,755
2. Surpluses of public enterprises at present prices of products :	
(*i*) Railways	405
(*ii*) Central undertakings other than Rlys.	720
(*iii*) State undertakings	250
	1,375
3. Capital Receipts :	
(*i*) Market loans (net)	1,500
(*ii*) Small savings (net)	1,000
(*iii*) Annuity Deposits (net)	200
(*iv*) Provident Funds (net)	540
(*v*) Miscellaneous capital receipts (net)	860
(*vi*) Additional mobilization under each of the above heads/or Reserve Bank support to Government loans	500
	4,600
4. Budgetary receipts corresponding to external assistance	2,750
5. Total resources (without additional taxation)	11,480
or say	11,500

In working out these estimates, the Resources Working Group has exercised certain judgments both on likely trends in Government revenues and

expenditures, and on certain possible policy measures. Since it is necessary that an agreed view is taken by the National Development Council on these matters, the more important of the assumptions underlying the resource estimate are set out in the succeeding paragraphs.

21. In calculating the base aggregate the Resources Working Group has emphasised the need for fiscal discipline of the strictest kind. The Group has further pointed out that, since they did not have the recommendations of the Fourth Finance Commission at the time of making these estimates, further adjustments may be necessary in keeping with the findings of the Fourth Finance Commission. This is a factor which affects the calculations in regard to the balance from current revenues at existing rates of taxes for the Centre and the States taken together. It should be pointed out that additional devolutions and grants covered by the Finance Commission's award will necessarily mean a reduction in the balance from current revenues at the Centre, available for Plan purposes. But in so far as their disposition by the States are concerned, the choice is still open to them to ensure that maximum possible amounts out of these devolutions and grants are made available for plan purposes, by observing strict economy in non-plan and non-development expenditure. The proper exercise of this choice is of utmost importance and the fact that there will be such transfers, adds greater force to the policy recommendations in regard to fiscal discipline made by the Resources Working Group.

22. The Planning Commission has considered it necessary to allow for the possibility of a reduction in the balance from current revenues at the Centre as a result of the Fourth Finance Commission's award, while keeping the rest of the Resources Working Group's estimates unaltered. For this reason the Commission has taken the view that the resources likely to be available to the public sector at the base level (that is to say, apart from additional taxation) may be Rs. 10,850 crores or Rs. 650 crores less than the Rs. 11,500 crores estimated by the Resources Working Group.

23. As regards additional resource mobilization, the Resources Working Group has suggested a figure of Rs. 3,000 crores over the five-year period. The National Development Council Sub-Committee on Resources has also recommended that an additional resource mobilization of this order should be undertaken in the Fourth Plan period. Because of the adjustment that has to be made to provide for the Finance Commission's award additional resource mobilization of Rs. 3,000 crores by the public sector will not fully cover the public sector's Plan outlay of Rs. 14,500 crores. The Planning Commission has considered this matter most carefully and is of the view that through more intensive effort at economy in public expenditure, better administration of taxes and public enterprises and, if necessary, additional measures of resource mobilization, a further amount of Rs. 650 crores may be made available for Plan purposes and the anticipated Plan expenditure

in the public sector be taken at Rs. 14,500 crores for working out the final details of the Plan.

24. Whether it is the base aggregate or additional resource mobilization needed for the public sector's programme, the realisation of the estimates that can now be made will depend, in the last analysis, on the policies which are adopted and the firmness with which they are implemented. It is this aspect of resource mobilization, rather than the details of resource estimation procedures, which merit the attention of the National Development Council and the policy-making authorities in the country. As has been emphasised, a total Plan outlay of the order of Rs. 21,500 crores would require very strict discipline in regard to expenditures of all types which are functionally unrelated to the objectives of development and welfare. It would also require the most efficient exploitation of available instruments for financial mobilization such as taxes, surpluses of public enterprises and borrowings of all types. If such discipline is not observed, the consequence will be a drastic reduction in Plan outlay or a drastic increase in the quantum of additional resources to be mobilized in the Fourth Plan period. These consequences can be obviated to the extent the measures listed below are adopted and the base aggregate of budgetary resources enlarged. The specific policy decisions required in this connection are the following:—

(i) Yields from existing taxes and duties at current rates and coverage should be maximised—through drives for arrear-collection, checking of evasion and avoidance, and other improvements in tax administration.

(ii) Under non-tax revenues, subsidies and waivers in regard to interest on loans extended by Government should be avoided and full collection made. Similarly, under such heads as forests, agricultural schemes, etc., every effort should be made to collect the revenues due to Government.

(iii) In respect of public enterprises, steps should be taken for effective utilization of available capacity, strict economy in operating expenses, minimisation of inventory holdings and prevention of leakage in revenues. All public enterprises should be charged the going rates of interest on their borrowings, so that their pricing policies are based on an adequate provision for capital costs.

(iv) The growth of administrative expenditure on tax-collection, general administration etc. should be so controlled as not to exceed 5 per cent per annum. This will require, among other things, avoidance of non-functional expenditures in the public sector and rationalisation of administrative procedures and

practices in such a way that unnecessary additions to staff are obviated.

(v) Similarly, a decision should be taken to restrict non-Plan development expenditures so that their increase is not more than 3½ per cent per annum. It is, in this context, important to emphasise that all outlays on projects of a development nature should be undertaken only within the framework of the Plan.

25. All of these policy requirements have been stated in the Plan Memorandum. But it is necessary to re-emphasise them because the mobilization of adequate Plan resources is vitally dependent on their being fully accepted and implemented on a national scale.

26. One question on which general agreement is needed is in respect of increases in the salaries and allowances of Government employees. Since the beginning of this year, salaries and allowances have been increased by the Central as well as the State Governments. Little can be done about the increases that have already occured, and steps will have to be taken to offset these additional expenditures by increasing the revenues, or by reducing non-Plan expenditure in some other direction. But any further increases of this sort will create serious difficulties for the Plan, unless Governments are prepared to match these with corresponding additions to taxation. Furthermore, salary increases in the Government sector will stimulate wage and salary rises over a wide area, with consequential increases in prices and costs of living. This is a process which is apt to be self defeating. It is, therefore, imperative that general increases in salaries and allowances of Government employees are not permitted to cut further into Plan resources.

27. Secondly, with the establishment of Zila Parishads and other Panchayati Raj institutions, there has been a substantial devolution of resources to local authorities in many States. It is possible that, along with larger resource-mobilization by these local governments, the quantum of devolutions and grants will also have to increase. It is necessary that, with the transfer of resources, an equivalent responsibility for meeting Plan or non-Plan expenditures is also transferred to the local bodies, so that the programme of democratic decentralisation does not reduce the Plan resources. Indeed, it should be possible for the Panchayati Raj institutions to raise additional local resources for development works and thus augment the resources for the Plan.

28. The estimates so far made of balance from current revenues (*i.e.* revenues available at 1965-66 rates of taxation etc.) likely to be available for Plan purposes are all predicted on the assumption that these measures

of strict fiscal discipline will be implemented right from now and will continue throughout the Plan period. There is, in other words, no choice in these matters, no matter what the final decision regarding Plan outlay turns out to be.

29. In the computations being made for estimating likely Plan resources for the public sector, the base aggregate includes, besides the above, certain anticipations regarding the public sector's draft on private savings by way of market borrowings, small savings schemes, State Provident Fund contributions etc. The preliminary estimates of the Resources Working Group put the aggregate mobilization from these sources at Rs. 3,740 crores over the Plan period. These estimates are to be treated as targets for realisation, in the sense that they assume a substantial advance over Third Plan performance and therefore will need special drives for enlarging private savings and making investments in Government securities, small savings, etc., more attractive to the savers. This point has to be borne in mind in visualising new measures of borrowing, compulsory savings, etc., which could be undertaken in the Fourth Plan period.

30. The major question to be decided on the resources for the Fourth Plan relate to the task of additional mobilization. The performance of this task requires the taking of hard decisions at the political and administrative levels. It is therefore of the utmost importance that a firm view is taken on this matter by the National Development Council.

31. Before going into the manner in which such resource mobilization could be visualised, it is necessary to clarify certain broader considerations relevant in this context. Additional resource mobilization of this magnitude necessarily implies a sizeable increase in domestic savings. To ensure that such mobilization does not impinge upon the required improvements in standards of consumption of the mass of the people, the focus of operation has to be the mobilization of additional savings from out of additional incomes accruing to different sections of the community during the Fourth Plan period. In general terms, the Plan, if implemented with speed and determination, should result in national income growth of the order of 6·5 per cent per annum. Even if a cautious view is taken and the likely increase in national income over the Fourth Plan period is projected at a rate of 6 per cent per annum, the level of national income would rise from an estimated Rs. 21,000 crores in 1965-66 to Rs. 28,000 crores in 1970-71 (both at 1965-66 prices). To secure non-inflationary financing of the Plan, it will be necessary to aim at securing about 27 per cent of these additional incomes for purposes of investment, leaving the other 73 per cent or so to add to consumption standards within the country.

32. A savings effort of this magnitude is necessary at this stage if we are to realise the cardinal Plan objective of improving the standards of living

of the people and at the same time ensuring that increased investment does not have to depend on larger assistance from abroad in the future. Quite obviously, the contributions to additional savings must come from those sections of the community whose incomes can be confidently expected to rise substantially during the Fourth Plan period. It is on this basis that the instruments for additional taxation, adjustments in pricing policies, incentives to larger voluntary savings and so on have to be forged on a national scale.

33. A second factor to be borne in mind is that in the Indian context, enlargement of 'public savings'—*i.e.* savings by the public sector out of the current receipts accruing to it—will have a crucial role to play in increasing the ratio of domestic savings to national income. From this viewpoint, the principal function of additional taxation in India has to be conceived in terms of the additional investment in productive resources, both material and human, which it will enable the community to undertake. It is against the large responsibility that the public sector has to bear for such investments that the needed tax effort has to be organised.

34. The broad picture that emerges is, in aggregative terms, as follows. It will be necessary in the Fourth Plan period to raise the proportion of total investment to total national income to about 17 per cent by the end of the Fourth Plan as compared to about 14 per cent at present. Correspondingly, domestic savings as a proportion of national income has to be raised from around 10·5 per cent at the end of the Third Plan to about 15 per cent at the end of the Fourth Plan. A good part of the increase in domestic savings has to be secured through additional taxation going into public savings. Tax receipts as a proportion of national income has risen steadily to nearly 13 per cent in 1965-66. Without additional taxation, this percentage would rise to about 15 by the end of the Fourth Plan as receipts from income and corporation taxes, excise duties, sales tax, electricity duties, etc. are likely to grow at a more rapid rate than national income. The additional tax effort visualised would require the raising of tax receipts as a percentage of national income further, to around 18 per cent by the end of the Fourth Plan. A tax proportion of this magnitude cannot be considered as unduly high in view of the requirements of growth and stability which have to be simultaneously satisfied in the Fourth Plan period.

35. Having said all this, it should be added that the mobilization of additional resources of this magnitude could become unmanageable if little or no effort is made in the next two years to introduce new measures of resource mobilization by Government and public authorities. To emphasize the importance of immediate action in this regard, it may be pointed out that, for achieving a cumulative total of Rs. 3,000 crores over the five-year period, measures yielding new revenues of the order of Rs. 200 to 230 crores will have to be introduced in each of the five years.

36. In order to raise these resources, action will have to be taken concurrently by the Central Government, State Governments, local governments, public sector enterprises, in both Central and State sectors, and other public agencies such as Railways, Posts and Telegraphs, Ports, etc., rather than by any one or a few of them. If action is delayed in this matter the annual instalments of additional mobilization to be resorted to in the last years of the Fourth Plan will substantially increase.

37. It is obviously not possible at this stage to indicate precisely the measures that can be adopted by each of the public authorities in each of the years up to 1970-71 to realise this target. But the broad areas of fiscal policy in which early decisions have to be taken are indicated in the next paragraph.

38. (i) There is common agreement that agricultural production should receive the highest priority in the Fourth Plan and that every effort should be made to secure the largest possible increases in agricultural output. With this increase in production, and with the price support and other incentives that will be available to agriculturists, there will be a large increase in incomes accruing in this sector. For various reasons, this sector has so far been subjected to a relatively mild order of taxation; land revenue rates, irrigation cesses, water rates and so forth have been kept at very low levels all these years. A decision should now be taken to tap this area more adequately for financing the Plan. There will be justification for doing this in view of the large investments that would be made during the Fourth Plan for improvement of agriculture and of rural facilities. Furthermore, it will be possible to tap this area by introducing elements of progression in the system of agricultural taxation in such a way that there is very little increase in the burden of land revenue and other charges to be borne by the large body of farmers with small holdings. However, since rural taxation is a State subject, individual States would naturally be hesitant to resort to additional taxation of the agricultural sector on their own. If, however, a decision is taken at the national level, so that all of the States can move in step, substantial addition to plan resources can be secured with comparatively fewer difficulties for individual States.

(ii) There is agreement in principle that, as recommended by the Venkataraman Committee, the policy with regard to electricity rates and duties should be such as to yield a minimum return of 11 per cent on the capital employed. It is necessary that State Governments take the steps necessary for realizing this target as early as possible; and, once again, individual States will be able to move forward in this direction more rapidly if this is pursued as a matter of national policy. It is also essential that inter-State and inter-regional differentials in power charges are narrowed down so that avoidable losses are in fact avoided.

(iii) Likewise, in respect of all other public sector undertakings in the Centre or the States, early decisions are necessary to raise the rate of return on capital employed to a minimum of 11 to 12 percent—through cost reductions as well as adjustments in pricing policy. Any such increases in the prices of services or commodities supplied by public sector enterprises should be accepted as a necessary means of enlarging investible resources.

(iv) In the current year, the first steps towards enlarging urban property taxation have been taken. This, again, is an area in which conjoint action by the Central and State Governments is necessary, not merely to find Plan finances but also to use the fiscal instruments for reducing disparities in wealth and property holding more effectively.

(v) As the economy develops and becomes more diversified, a variety of new commodities will become available. Not all of these will fall in the category of basic essentials and, therefore, there will be scope for extending the coverage of excise and sales taxes. Because of the severe foreign exchange shortage, the market for many of these commodities within the country will be protected, so that the prices that consumers will ultimately pay are likely to be high. In this situation, there will be scope for mobilization of resources for the Plan through excise duties whose impact could be expected to fall largely on the consumption expenditure of a less essential character or on non-priority uses of scarce resources. Early steps should be taken to devise ways and means of enabling the commodities tax structure to cover these new outputs as and when they are produced.

(vi) In the field of direct taxation, while it may not be helpful to enlarge the tax incidence on corporate incomes, it will be necessary to adopt fiscal instruments conducive to an increase in savings out of personal incomes. Whether this is best done through adjustments in the coverage and rate-structure of the existing income tax, or through an intensive application of the expenditure tax are matters requiring further examination. As development is accelerated, millions of people will reach income levels at which direct taxes in one form or another can be levied. Increased commodity taxation will not be just, generally acceptable and sufficiently anti-inflationary if very little of direct taxation impinges on those with annual incomes of Rs. 3,000 and over, in both urban and rural areas. Similarly, an upward revision of the wealth tax would accord with the canons of social justice even if the revenues obtained are not large to start with.

(vii) The critical balance of payments situation has necessitated adjustments in import duties which, *inter alia,* are expected to provide substantial resources for meeting Plan requirements. The extent of possible adjustments in this area is essentially determined by balance of payments rather than revenue considerations. However, in case it becomes necessary to reduce the attractiveness of imports further and facilitate maximum resort

to domestic substitutes, this instrument may yield an added benefit to Plan resources.

39. The measures mentioned above are all such as to assist in the attainment of the other Plan objectives of larger exports and more effective import substitution, reduction of inequalities in income and property holdings, narrowing down of disparities in real consumption standards, increased public savings and investment etc. They are also such that they take into account the need for leaving a required part of the increase in national income for adding to *per capita* consumption of essential commodities and for generation of private savings to finance the private investments visualised in the Plan.

40. The task of resource mobilization becomes easier or more difficult according as a high or low growth rate is achieved in the national product. Consequently, every step taken for realising larger output from existing investments and for reducing the administrative delays in regard to new investments will itself be a measure for enhancing the resource availabilities. It is, therefore, of the utmost importance for adequate resource mobilization that steps are taken to remove all obstacles to the realization of full outputs from the investments already undertaken or from those that may be undertaken hereafter.

41. The problem of external resources is likely to be a difficult one during the Fourth Plan period. With the marked step-up in investment and in the rate of growth in national income envisaged in the Fourth Plan, the requirements of imports both for the maintenance of the economy as well as for implementing the projects included in the Plan will increase substantially. In addition, large payments of foreign exchange will have to be made to meet our external debt servicing obligations. On the other hand, although, with the requisite effort, export earnings can be augmented substantially during the Fourth Plan period, dependence on external assistance, to a material extent, will still be unavoidable.

42. Detailed studies relating to exports indicate that export earnings during the Fourth Plan period may aggregate to Rs. 5100 crores, rising to a level of Rs. 1110 crores in 1970-71 from an estimated level of a little over Rs. 840 crores in 1965-66. To secure export earnings of the order of Rs. 5100 crores during the Plan period would not, however, be an easy task. It will require an intensification of the export drive in several areas and directions and will entail a measure of sacrifice or social discipline on the part of the community in the immediate future. It would be necessary to work out in detail the various measures in terms of domestic production, restraints on consumption and creation of surpluses, reduction of costs, attainment of standards, etc. that would be necessary for securing the export targets envisaged. In particular, where conflicts arise between the claims of

domestic demand and those of export, a definite policy of restraint of domestic demand will have to be pursued through fiscal, regulatory or other devices. Moreover, a definite orientation will have to be given to the pattern of investment and development in both the agricultural and industrial sectors for the purpose of securing the necessary surpluses for export.

43. Requirements of maintenance imports, including imports of components needed for the manufacture of industrial machinery and transport equipment, have been estimated at a total of Rs. 5300 crores for the Fourth Plan period. These calculations are based on the assumption that a strict import policy will continue to be followed during the Plan period, and that imports of consumer goods and of raw materials for the manufacture of a number of consumer items will be held down at restricted levels.

44. Our external debt servicing obligations by way of interest payments and repayment of capital are estimated at Rs. 1350 crores during the Fourth Plan period. While the great bulk of these payments will be on account of external loans already contracted, some provision has been made in the calculations for interest charges to be paid on new loans to be obtained during the Fourth Plan period. Of the total, interest payments are estimated to account for Rs. 650 crores and capital repayments of Rs. 750 crores. Other items on invisible and capital account are expected to be more or less in balance during the Fourth Plan period.

45. It will be seen from the above that there is not only a gap of Rs. 200 crores on the maintenance account but also a foreign exchange outflow of Rs. 1350 crores to meet debt servicing obligations. Foreign exchange resources by way of external assistance has thus to be found not only to meet these payments but also to finance the imports required for the projects and programmes included in the Plan. Firm indications are not yet available of the total quantum of external assistance, including private foreign capital, likely to be forthcoming during the Fourth Plan period. Our present assumption in drawing up the Fourth Plan, however, is that an aggregate amount of Rs. 4000 crores of gross external assistance may be available. While this assumed figure of gross external assistance is substantially larger than the amount of Rs. 2600 crores of gross assistance received during the Third Plan, the requirements of net assistance after allowing for interest payments and repayments of capital are not very much larger as compared to the Third Plan. The corresponding figures of net assistance are Rs. 2100 crores for the Third Plan and Rs. 2650 crores for the Fourth Plan—a step-up of Rs. 550 crores from the Third to the Fourth Plan period. This moderate increase in net external assistance may be viewed against the much larger step-up in aggregate investment from the Third to the Fourth Plan period—from a level of Rs. 10,000 crores to Rs. 19,000 crores.

46. On the assumption of a gross external assistance of Rs. 4000 crores during the Fourth Plan period, the availability of external resources to finance project imports would, on the foregoing basis, amount to Rs. 2450 crores. Studies relating to the requirements of project imports for the Fourth Plan have been made continuously for some time. On the basis of the latest estimates reported by the Divisions of the Planning Commission in regard to these imports, project imports for the Plan may be somewhat in excess of Rs. 2450 crores. There is thus a substantial gap between the requirements of project imports and the availability of external resources to finance such imports. However, the details are being reviewed project by project and this examination may reveal possibilities of economy in project imports. Some reduction may also be possible by rephasing some of the projects. The scrutiny of estimates would also indicate whether it is not possible to secure savings on such imports through greater use of components, machinery and equipment manufactured in the country. The recent enhancement of import duties on capital goods may be expected to encourage the substitution of imported machinery and equipment by domestic manufactures and thereby reduce the requirements of project imports for implementing the Plan.

IV

SECTORAL PROGRAMMES

1. Agriculture

The National Development Council, at its twenty-first meeting held on the 27th and 28th October, 1964, to consider the Memorandum on the Fouth Five Year Plan, took the following important decisions:—

(i) That top priority should be given to agricultural development;

(ii) That resources and inputs sufficient to achieve a rate of growth of not less than 5 per cent. per annum (cumulative) should be provided;

(iii) That special care should be taken to draw complete, self-contained and fully coordinated plans for agriculture; and

(iv) That the physical targets for agricultural programmes should be largely built up from below through detailed work in the States, specially at the District and Block levels.

Detailed guidelines on the formulation of the integrated and self-contained agricultural development plan have been issued to the State Governments* and tentative production goals, programme targets and outlays have been indicated. The State Governments have been requested to create an Agricultural Planning Cell at the State Headquarters by deputing one Officer from each department concerned with agricultural production to work whole-time for one year on the preparation, scrutiny, dovetailing and consolidation of the agricultural plan. The State Governments have been further requested to prepare a plan-frame for district and block plans and tentatively distribute the production goals for various agricultural commodities district by district, suggest tentative programme targets and indicate the areas for concentration of different programmes, as also the assumptions and constraints underlying various programmes, such as, magnitudes of resources of all kinds (financial outlays, material inputs, technical manpower and organisational set-up) available to each district, details of the State schemes having a bearing on the schemes in the district and the basic policies to be followed.

2. The assignment of "top priority" to agriculture means that this priority should be given not only to agricultural programmes, but also to those programmes in other sectors which have a bearing on agricultural production such as, irrigation, rural communications, rural electrification and industries providing material inputs for agriculture, and credit.

3. One of the most significant developments in the field of agricultural technology in recent years is the discovery of some very high-yielding, fertilizer responsive, and non-lodging varieties of paddy, wheat, maize, jowar and

*Planning Commission letter No. 14-8(6)/65 agri. dated 6th May, 1965.

bajra. It is proposed to undertake a special intensive programme for food-grains based on these high yielding varieties of crops in concentrated areas, with assured irrigation.

4. Another significant development that occurred on the agricultural front in the recent past is the enormous increase in the popularity of chemical fertilisers and pesticides, the adoption of improved practices and minor irrigation. As a result of the sustained efforts of the extension services, a realistic price support policy and, above all, the rise in prices which has radically changed the economics of highly intensive cultivation, the major bottleneck, namely, the inadequate response of the farmer to the adoption of improved techniques has been removed.

5. Keeping these factors in view, the Ministry of Food and Agriculture has proposed an upward revision of the programme targets for fertilizer consumption and plant protection measures. This would imply enhanced requirements of foreign exchange and expansion of production capacity for fertilizers.

6. The basic problem faced by the plant protection programme is that these measures are not affective unless they are carried out over a compact area at the appropriate time in a coordinated manner within a very short period and, above all, at very short notice. It is, therefore, necessary to take up plant protection measures as a Compulsory Contributory Plant Protection Service (treating crop pests and diseases at par with epidemics affecting human beings and cattle).

7. Various agricultural programmes should be worked out, in relation to each area, as "projects' based on detailed, technical and economic information and should precisely indicate the requirements of financial, material, capital, human and organisational resources and production goals, programme targets, location or coverage and operational time-schedule. The formulation of these projects, it is hoped, will facilitate integrated approach and assessment of progress. In order to ensure that this approach is really given effect to and integrated plans, area by area as are built up, it is necessary that the provision of outlay should be linked to "projects" or "area" plans.

8. Intensive agricultural development can be brought about only through the concerted and well-coordinated efforts of the Community Development organisation, Panchayati Raj institutions and Cooperatives. Increasing agricultural production has been among the primary objectives of the Community Development programme since its inception. As stressed in the Third Plan Report, the principal test to be met by the Community Development movement is its practical effectiveness as an agricultural extension agency and its ability to mobilise the largest possible local effort for increasing agricultural production. What is necessary now is that Community Development, including Panchayati Raj, should not only give the first and

foremost priority to agricultural production, but focus on it, more or less, exclusively during the Fourth Plan.

9. Our agricultural extension services are weak both in quality and numbers and suffer from dispersal over unmanageable areas. In spite of the fact that the National Development Council took a decision as early as November, 1962 that the village level worker should be assigned only one set of tasks, namely, organising extension and supplies for agricultural production programmes and helping panchayats and cooperatives to draw up and execute village agricultural production plans, it has not been possible for him to carry out these instructions as no arrangement has been made to relieve him of his other duties and responsibilities in most of the States. It is essential to relieve the VLW of his non-agricultural functions. It is also essential to provide additional training to the village level workers to raise their competence and also intensive technical guidance and support from the extension officers at the block level.

10. A number of steps have been taken in the States, in varying degrees, in accordance with the recommendations of the high-level Working Group on Inter-development and Institutional Co-ordination for Agricultural Production. A great deal, however, remains to be done. It is essential to ensure that the Department concerned with complementary and inter-related aspects of agricultural programmes do not function in isolation. A single organisational unit, responsible for the basic factors of production as well as extension and cooperative services should be created. At each level the responsibility for coordination should be placed on a single person.

11. It is necessary to ensure that land reform measures are fully implemented as early as possible in all States. A dead-line may be fixed for this purpose.

12. Selected targets are shown below:—

Targets of Production and Development

Head of Development	Unit	1965-1966 Third Plan Target	1965-1966 Likely achievement	1970-1971 Target as in Memorandum	1970-1971 Target as now proposed
1	2	3	4	5	6
1. *Agriculture*					
Foodgrains . . .	Million tonnes	100	92	120	120
Cotton . . .	Lakh bales .	70·65	63·40	85	85
Sugarcane (gur) . .	Lakh tonnes .	100	110	135	135
Oil seeds . .	Lakh tonnes .	98·2	75	100	100
Jute	Lakh bales .	62	62	80	80
Consumption of Chemical fertilizers:					
(*a*) Nitrogenous (N) .	Million tonnes	1·00	0·65	2·00	2·00

1	2	3	4	5	6
(*b*) Phosphatic (P_2O_5) .	Million tonnes	0·40	0·25	1·00	1·00
(*c*) Potassic (K_2O) .	,, .	0·20	0·15	0·35	0·35
Irrigation (additional utilization) :					
(*a*) Major . .	Million acres .	12·80	6·7	11·00	9·00
(*b*) Minor . .	,, . .	12·80	13·80	17·00	17·00
Soil Conservation . .	,, .	11·00	11·80	20·00	20·00
Land reclamation . .	,, .	3·60	3·00	2·50	2·50
Extension of area through double cropping . .	,, . .	..	..	22·50	22·50
Area under improved seeds foodgrains . .	,, .	204·00	164·00	274·00	274·00
Organic and green manures:					
(*a*) Urban compost .	Million tonnes	5·00	4·42	5·40	5·40
(*b*) Green Manures .	Million acres .	41·00	27·90	64·00	54·00
Plant protection .	,, . .	50·00	40·00	160·00	160·00

Financial outlays for Agriculture, Community Development and Co-operation (Public Sector).

Head of Development Project	As proposed by the Ministries	As recommended by P.C. (Rs. 2400 crores)	As now recommended (Rs. 2372 crores)		
			Total	Investment	Current outlay
1	2	3	4	5	6
A. *Deptt. of Agriculture* :					
I. *Agricultural Production*					
1. Manures and Fertilizers .	507·47	213·00	213·00	29·41	183·59
2. Improved Seeds .	30·39	28·00	28·00	8·96	19·04
3. Plant Protection . .	126·36	107·50	107·50	16·00	91·50
4. Agricultural Implements .	169·00	70·00	70·00	61·00	9·00
5. Commercial Crops (Addl. programmes) . . .	60·58	25·00	25·00	4·00	21·00
6. Horticulture . .	44·33	25·00	25·00	22·72	2·28
7. Area Programmes .	136·00	50·00	50·00	23·00	27·00
8. Agriculture Extension (Incl. IADP) . .	46·40	35·00	35·00	8·64	26·36
9. Agricultural Adm. Personnel Education	39·19	30·00	30·00	16·50	13·50
10. Land Reclamation and Consolidation of Holdings :					
(*a*) Land Reclamation .	60·00				
(*b*) Resettlement of land less labourers . . .	50·00	115·00	100·00	65·00	35·00
(*c*) Consolidation of 142 Holdings . . .	32·00				
11. Agricultural Statistics .	33·81	26·00	26·00	..	26·00
12. Agro-Economic Research etc. . . .	2·78	2·50	2·50	0·21	2·29
13. Agricultural Research .	26·45	20·00	20·00	6·00	14·00
14. Foodgrains (Others) .	9·00	9·00	9·00	.	9·00
Total (1 to 14)	1373·76	756·00	741·00	261·44	479·56

1	2	3	4	5	6
II. Minor Irrigation	465.83	450·00	450 00	403·33	46·67
III. Soil Conservation	280·00	215·00	215·00	204·00	11·00
IV. Forestry	130·00	120·00	120·00	92·50	27·50
V. Animal Husbandry	157·11	152·00	140·00	99·00	41.00
VI. Dairying and Milk Supply	63·88	58.00	57·00	46·00	11·00
VII. Agricultural Marketing	27·20	15·00	15·00	13.24	1·76
Total A : Agriculture	2497·78	1766·00	1738·00	1119·51	618·49
B. *Department of Food* :					
1. Sugar and Sugarcane	16·52	10·00	10·00	..	10·00
2. Subsidiary Foods etc,	42·50	8·00	8·00	6·00	2·00
3. Storage & Warehousing	40·96	34·00	34·00	34·00	..
4. Fisheries	200·00	110·00	110·00	105·00	5·00
Total B: Food	299·98	162·00	162·00	145 00	17 00
Total A and B Food and Agriculture	2797·76	1928·00	1900·00	1264·51	635 49
Ministry of C.D. and Cooperation :					
C. Deptt. of Coopration	243.00	212.00	212.00	154.00	58.00
D. Deptt. of C.D.	497 22	260.00	260 00	15.00	165.00
Total CD and C	740.22	472.00	472.00	249.00	223.00
GRAND TOTAL	3537 98	2400 00	2372.00	1513.51	858.49

2. Irrigation

The ultimate area which can be irrigated from major and medium schemes is estimated to be about 112 million acres (gross). At the beginning of the First Plan irrigation from such schemes was 23·8 million acres. With an additional potential of 18·4 million acres and utilisation of 15 million acres at the end of the Third Plan, the potential left over for development in the Fourth and subsequent Plans would be about 70 million acres.

2. The table below shows the potential and utilisation from major and medium irrigation schemes in the Plans:

(Gross area in million acres—cumulative)

At the end of	Potential	Utilisation	Percentage Utilisation
First Plan (actual)	6·5	3·1	48
Second Plan (actual)	11·7	8·3	71
Third Plan (target)	29·5	22·8	77
Third Plan (Anticipated)	18·4	15·0	80

3. The outlay in the First and Second Plans as also the provision and anticipated expenditure in the Third Plan on major and medium irrigation and flood control are shown below:

(Rs. crores)

	First Plan	Second Plan	Third Plan	
			Provision	Anticipated expenditure
Irrigation	300	380	600	550
Flood Control	13·4	47·4	61	84
Total	313·4	427·4	661	634

The shortfall in the outlay on irrigation in the Third Plan is due to the tight resources position in some States, and the need to spend more on flood control measures in certain States.

4. The outlays proposed for irrigation and flood control in the Fourth Plan are shown below:

Fourth Plan Outlay

Rs. crores

Irrigation	Flood Control	Total
810	114	924

5. The irrigation benefits expected in the Fourth Plan with these outlays are:

Additional potential (Gross)	13·0 million acres.
Additional utilisation (Gross)	9·0 million acres.

The foreign exchange requirement for this programme would be Rs. 110 crores in the Fourth Plan.

6. In the Fourth Plan, there should be emphasis on consolidation of irrigation schmes already completed, by speeding up the utilisation of the potential already created. High priority should be given to completion of continuing schemes, including measures needed to take the irrigation water right upto the cultivators' field *e.g.*, construction of field channels, which is the responsibility of the beneficiaries. A project should be considered completed only when all the ancillary steps and action necessary for securing optimum benefits from it have also been completed.

7. Before any new scheme is sponsored for inclusion in the Plan, it should be fully investigated and complete project report prepared including firm estimates of cost and benefits. Judicious selection should be made of major and medium irrigation schemes for securing early and phased benefits. For all irrigation projects a planned agricultural development programme should be prepared and phased requirements of outlays indicated for speedy and optimum agricultural production, taking into account the needs of scientific agriculture.

8. There should be close coordination between the Irrigation and Agriculture Departments to ensure speedy and full utilisation of the Irrigation potential created and Agriculture Departments and Irrigation Departments should work hand in hand.

9. Schemes for irrigation, flood control, drainage, soil conservation and water resource development should be formulated on the basis of integrated river-basin plans in the various regions of the country. Sufficient funds should be provided for investigation and preparation of projects for inclusion not only in the Fourth Plan but also in the Fifth and subsequent Plans.

10. In preparing new irrigation projects careful consideration should be given to their effect on drainage and water logging. The project should provide necessary precautionary measures including, where necessary, lining of canals

3. Power

Power programme has to be co-related with the development of industries. Keeping this consideration in view, the revised provision of Rs. 1,828 crores in the Public Sector for power is now distributed as follows:

Outlay on Power

(Rs. Crores)

	Fourth Plan	
	As given in the Memorandum	As now proposed
Generation	1,080	1,126
Transmission and distribution	640	438
Rural electrification	200	226
Investigations research etc.	30	38
Total	1,950	1,828

The outlay on transmission, distribution and rural electrification takes into account the revised target of power generation as at the end of the Fourth Plan. No change is contemplated in the programmes of the private sector for which an allocation of Rs. 50 crores mainly for strengthening and expanding transmission and distribution work is retained.

2. After taking into account the availability of plant from Heavy Electricals Ltd. and other indigenous sources, the foreign exchange requirements for the revised programme is now estimated at Rs. 400 crores including Rs. 10 crores for the private sector. The revised programme envisages a target of 21 million kW of installed generating capacity by March 1971 and production potential of 84,000 million kWhs per annum.

3. The Power plan is based on the integrated operation of power systems of neighbouring States and establishment of regional grids. Several advantages of such operation were detailed in the Memorandum. By integrated operation of power stations, capability of the system increases owing to diversity of load demands and reduction in standby requirements. It improves the reliability of power supply to consumers and affords scope for economic and efficient operation of generating plants—thermal hydro and nuclear. It enables installation of larger thermal units which have relatively higher thermal efficiencies and cost less per kW of installed capacity than smaller units. These result in considerable savings in capital investment and recurring charges.

4. The five Regional Electricity Boards already set up, should be given all facilities towards this end so that they could coordinate the designs,

voltages and the routes of the transmission lines inter-connecting the power systems of the region. The inter-State tie lines should be financed, constructed and operated by the State concerned to the extent these lie within the boundary of the State.

5. Out of the total amount indicated for the public sector, Rs. 225 crores are required for schemes to be executed by the Centre, Rs 50 crores for Union Territories and the balance of Rs. 1,553 crores for the States. In addition to investigations, research and other miscellaneous items, the Central schemes consist of atomic power stations, power generation programmes of the Neyveli Lignite Corporation and Damodar Valley Corporation and the power station to be established at Badarpur near Delhi. Besides the Tarapur (380 MW) and Rana Pratap Sagar (200 MW) nuclear power stations already under construction, a 400 MW power station at Kalpakkam (Madras) and doubling of the Rana Pratap Sagar station has been accepted for providing power in the early years of the Fifth Plan. Neyveli power station will be expanded to a total capacity of 600 MW while the Damodar Valley Corporation will undertake schemes for augmenting the generating capacity within the Valley.

6. In the above programme, the new thermal stations are designed to use up the middlings that are likely to be produced in the washeries in the West Bengal-Bihar region. Most of the thermal stations will have boilers designed to burn coal and oil. Because of the emphasis on larger sizes, the average thermal efficiency of power stations which is now about 20%, is expected to improve considerably by the end of the Fourth Plan.

7. By the end of the Third Plan, it is expected that about 55,000 towns and villages would have been electrified out of a total of 5,66,947 (1961 census). Rs. 226 crores are provided for rural electrification in the Fourth Plan as against Rs. 105 crores included in the Third Plan. Agricultural production has been assigned the highest priority in the Fourth Plan and as such, rural electrification should be oriented to subserve the agricultural needs. It is necessary that the programme of expanding transmission and distribution lines and rural electrification should be coordinated with the programme of irrigation pump sets. For this purpose maps should be prepared showing locations of clusters of pumps desired to be energised in the Fourth Plan and tallied with maps showing proposals for transmission and distribution lines. By concentrating development on clusters of pumps, agricultural production could be maximised by providing simultaneously hire purchase facilities, supply of good seeds and fertilisers and augmentation of rural credit and marketing facilities in the concerned area. It is expected that with the above outlay about five lakhs additional pump sets could be energised and 65,000 villages electrified during the Fourth Plan.

8. As recommended by the Venkataraman Committee, every State should endeavour to augment the earnings of its Electricity Board to 11 per cent

of the capital base. In such of the States where sufficient revenues are not being earned at present even to pay the interest charges, the immediate step should be to improve the working of the Electricity Boards and where necessary, revise the tariffs so as to enable them to pay the interest charges after meeting the operation, maintenance and depreciation charges and general reserve. In States in which the revenues from electricity are at present adequate to cover interest charges, the aim would be to enhance the revenues to 11 per cent within 3 to 5 years. Wherever possible, the States should endeavour to earn larger revenues than stated above and the period of achieving the objectives should be shorter than indicated by the Committee.

9. Expeditious and thorough investigations of hydro and thermal power sites, standardisation of equipment and designs and training of technical manpower are other important aspects of Power programme on which adequate attention needs to be bestowed.

4. Village and Small Industries

Besides consolidating what has already been accomplished and overcoming the deficiencies revealed in the implementation of the programmes for the development of different small industries over the last decade and a half, it is proposed to pursue the following aims in the Fourth Plan within the framework of the Industrial Policy Resolution, 1956, so that over a period the entire sector becomes self-reliant and self-supporting:—

(i) to promote decentralised growth of industries at selected growth-centres,

(ii) to raise the earnings of those engaged in small industries by providing positive forms of assistance for improving their skills and productivity, and

(iii) to organise artisans and craftsmen on cooperative lines.

2. It is considered necessary to adopt a bold policy for the growth of industrialisation in a decentralised fashion, both structurally and from the point of view of location. It would be necessary for this purpose to identify the operations which are capable of being done on a reasonably economical basis by more labour-intensive and less capital-intensive techniques or by units of small sizes and exclude the same from the capacity to be licensed to large industries. The identification will have to be followed by the adoption or evolution of appropriate intermediate technology as a basis for small-scale or labour-intensive operations.

3. As part of the programme for decentralised growth of selected industries, a more vigorous programme would be taken up for the development of rural industries including agro-industries which would cover not only those industries which are concerned with the processing of agricultural

products including animal husbandry, horticulture, poultry, etc., but also the manufacture of inputs required for agricultural programmes, such as, agricultural implements, etc. An important step to accelerate the programme of rural industrialisation and development of agro-industries would be to identify the 'growth centres' in small towns and rural areas, where basic facilities such as electricity, large supply of agricultural raw materials and improved means of transport are available, or would become available, and to provide in an integrated manner the necessary assistance for credit, technical advice, service facilities, etc. The techniques, methods and programmes of development in these selected areas would be worked out in the light of the experience already gained from the 45 Rural Industries Projects, which were initiated in the middle of the Third Plan period. Suitable schemes would also be formulated to assist small industries in marketing of their products.

4. A total outlay of Rs. 395 crores in the public sector has been proposed for the development of village and small industries under the Fourth Plan. A tentative break-up of the total outlay as between the Centre and the States and Union Territories is indicated below, along with the corresponding allocations under the Third Plan.

(Rs. crores)

	Centre	States & Union/ Territories	Total
Third Plan	122·8	141·2	264·0*
Fourth Plan	196·5	198·5	395·0**

*Excluding the provision for the Rural Industries Projects.

**Including the provision for the Rural Industries Projects.

The break-up of the proposed provision of Rs. 395 crores as between the different small industries falling within the purview of the All-India Boards would be settled shortly in the light of the suggestions of the special Steering Group which has been set up recently to suggest a coordinated programme for the development of small industries as an integral part of the Fourth Plan, in the light of the objective for the Fourth Plan, the recommendations of the Working Groups/Sub-groups, etc. The proposed provision of Rs. 395 crores is exclusive of the outlays provided for the development of these industries in the programme of community development, rehabilitation of displaced persons and development of special areas. Further, about Rs. 400 crores are expected to be invested from private sources including banking institutions.

5. Detailed programmes for the development of different village and small industries will be formulated by the All-India Boards, the State Governments and Union Territories in the light of the suggestions of the Steering Group referred to earlier. For the present, the following tentative targets are envisaged :—

Industry	Unit	Third Plan		Fourth Plan
		Targets	Likely achievements	Tentative suggestions
(1) Handlooms, Powerlooms and Khadi	Production (million yards)	3,500	3,500	5,000
	Exports (Rs. crores)	..	12·0*	20·0*
(2) Sericulture . .	Production (lakhs kgs.) .	23·0	21·5	31·0
	Exports (Rs. crores) .	..	3·0	4·5
(3) Coir	Exports (Rs. crores) .	9·5	12·0	16·0
(4) Handicrafts . .	Exports (Rs. crores) .	..	24·0	32 0
	Internal sales through public emporia (Rs. crores) . .	..	3·0	7·0 to 8·0
(5) Industrial estates	No. of new estates	300	200	300**

*Figures of exports pertain to handloom cloth only.

**Including cooperative industrial estates.

6. If the policy of the decentralised growth of selected industrial activities and coordinated development of small and large industries is adopted and the small industries' sector is supported with adequate supplies of raw materials, finance, marketing and technical assistance, the annual average rate of growth of the sector could be expected to be almost doubled during the Fourth Plan period, large elements in the sector would be in a position to dispense with protective aids and become self-reliant and self-supporting.

5. Industries and Minerals

In the Memorandum on the Fourth Plan provision had been made for a total outlay of Rs. 3,200 crores for the public sector and Rs. 2,400 crores for the private sector for industrial and mineral programmes. A statement of the targets for 1970-71 had been given in an Appendix on this basis.

These targets were themselves lower than those recommended by the Working Groups for the needs of the economy. On a closer examination of the outlay required it emerged that taking several factors into consideration the requirements of the public sector are likely to be higher by a few hundred crores. Nevertheless, in the context of keeping within the Plan outlay of Rs. 21,500 crores, the revised allocation for the industries and minerals programmes in the public sector has had to be reduced to Rs. 2,866 crores, keeping the outlay in the private sector at Rs. 2,400 crores.

2. The reallocation of outlay between the different industrial groups has had to be done bearing in mind a number of consideration, some of which are:—

(a) Except in isolated cases such as deferment of non-coking coal projects or readjustment in the programmes, most of the projects spilling over from the Third to the Fourth Plan have been fully provided for to enable the projects to be completed and brought to fruition as soon as possible.

(b) Basic industries and those which constitute the inputs for agriculture have been given higher priority. These include steel, machine building, aluminium, copper, fertilizers, pesticides, agricultural tractors, cement, etc.

(c) To the extent possible, projects on which adequate amount of preliminary work has already been done and wherever they satisfy the above priority, they have been accommodated as fully as possible. Even where there is likely to be a spill-over from the Fourth to the Fifth Plan, our effort has been to secure production from these units, the spill-over corresponding only to possible spill-over in payments or completion of the final stages of the work not affecting the early commencement of production. In the case of those projects for which preliminary work like market survey, feasibility study or the preparation of D.P.R. has yet to be taken up or completed, they have been largely brought into Category B and a lump sum provision of Rs. 25 crores only made to cover them. In some cases where such work could be expeditiously carried out and some results achieved if possible within the Fourth Plan itself the requests of the Ministries have been accommodated by bringing them in category A.

(d) Expansion of existing projects have been given preference over new projects wherever justified.

(e) It should also be understood that the investment provision in the public sector will cover also the minimum requirements of townships and colonies wherever necessary. In regard to

working capital of the public sector projects besides release of funds due to reduction of inventories, it is expected that any additional finance necessary for the additional production would be capable of being found through banking arrangements.

It will, however, be appreciated that while determining the quantum of development in each industrial field, despite the higher-priority which may be given to any over the other, a certain quantum of *inter se* balancing is also most essential.

3. Several projects which are of a priority nature have had to be excluded from immediate consideration. However, it is contemplated to get feasibility studies and project reports prepared and, in some cases preliminary action initiated, so that they can be taken wherever feasible. It is also not unlikely that based on the progress of projects included in the Plan, certain shifts in emphasis for implementing them to secure early production from one or the other as well as to take on other projects on which preliminary studies have been completed and get them through in preference to those which may fall behind, may have to be resorted to. It is in this context that a list of projects has been given under Category B and a provision of Rs. 25 crores made for progressing their studies. Based on a closer study of the gaps in industrial development and the need to fill them expeditiously, consideration may have also to be given to some others and studies carried on them under Category B. This flexibility has been provided with a view to eliminating imbalances in our development as may be noticed from time to time and reviewed at the time of our Annual Plans.

4. The outlay of Rs. 2,866 crores in the public sector includes(i) Rs. 170 crores for supporting institutional financing, (2) about Rs. 50 crores for State Industrial Development Corporations out of Rs. 150 crores set apart for State industrial projects, (3) Rs. 12 crores for ISI, NPC, Metric System and miscellaneous items like design bureaus etc., (4) Rs. 30 crores for rendering assistance to plantation industries, (5) Rs. 45 crores for G. S. I., and Indian Bureau of Mines together, and (6) Rs. 25 crores for feasibility studies, project reports and preparatory action etc., totalling a sum of Rs. 332 crores. This leaves a net sum of Rs. 2,534 crores for direct investment in the public sector for industries and minerals. Along with anticipated investment of Rs. 2,400 crores in the private sector, the total investment on industry and minerals in the Fourth Plan period, excluding the outlays for different developmental projects enumerated above, works out to be about Rs. 4,934 crores.

5. The broad break up of outlay in the public and private sectors between major industrial groups are as follows :—

Distribution of fixed investment outlay : 1966-71

(Rs. crores)

Industrial Group	As indicated in the Memorandum on the Fourth Plan			As now proposed		
	Public sector	Private sector	Total	Public sector	Private sector	Total
1. Metals .	1,250	250	1,500	1,057	376	1,433
2. Fertilizers and pesticides .	300	150	450	178	160	338
3. Mining, mineral oil and related developments .	800	250	1,050	720	80	800
4. Machinery and engineering industries . . .	500	300	800	282	390	672
5. Consumer goods .	150	650	800	149	721	870
6. Intermediate goods	150	650	800	193	505	698
7. Miscellaneous	50	150	200	287*	168	455
TOTAL .	3,200	2,400	5,600	2,866	2,400	5,266

*NOTE (1)—The reduction in outlay on fertilizers and pesticides from that in the Memorandum has been possible due to larger and more economical units adopting latest technology. The capacity target has nervertheless been maintained and in fact increased to 2·3 million tonnes.

(2) The outlay of Rs. 287 crores in public sector includes provision for institutional financing through Central as well as State agencies, besides a sum of Rs. 25 crores for feasibility studies, detailed project reports etc., on a large number of projects and is, therefore, larger than in the Memorandum.

(3) The category of consumer goods includes, besides items like paper, drugs, cement, textiles, sugar and matches, several durable consumer goods like motor cycles, bicycles, sewing machines etc.

6. The targets of capacity and production to be achieved by 1970-71 are given in statement attached. It would be pertinent to add, however, that as in the case of the earlier Plans there are certain areas in which the investments undertaken during the Plan period, as in the case of coal mining programmes, metallurgical industries, etc. will yield capacity only in the Fifth Plan period, although such projects have to be initiated in the Fourth Plan period itself. With a view to securing maximum benefit from the investments within the Plan period itself, the quantum of such investment has been kept to the minimum, if this investment is totally avoided,

it will have serious repercussions on the continuity of growth in the Fifth Plan.

7. Industries related to agriculture—fertilizers, pesticides, tractors and agricultural implements—have been given the highest priority. Expansion of capacity in steel and pig iron, and increased production in the capital goods industries have also been kept prominently in view, although on account of limited resources all that was necessary could not be accommodated. In the field of consumer goods industries, besides providing for adequate expansion of manufacture in the private sector wherever feasible, provision has been made in the public sector also for fostering necessary growth. Examples of this are cement, pulp and cotton yarn. Besides providing for expansion of oil drilling programmes, expansion of refinery capacity to secure a major share of production in the public sector has been given necessary emphasis. This is important not only from the standpoint of providing increased quantities of kerosene and diesel oil from indigenous production but also to produce enough naphtha for securing economic production of fertilizers of the required types and in quantity. Keeping in view the world trends, production of petro-chemicals for the manufacture of intermediates required for synthetic fibres, plastics, synthetic rubber have also been given due consideration. Following the lead given in the Fourth Plan considerable expansion in these activities will have to take place in the subsequent Plan periods, to produce increasing quantities of these items and reducing dependence on imported cotton, wool, rubber, etc.

With a view to fostering industrial projects in the State sector consideration has been given to assist in the establishment of State Industrial Development Corporation as well as to develop industrial units in fields such as cement, cotton yarn, agricultural implements and agricultural processing industries.

8. The targets of capacity and production for selected industries are given below :—

Industry	Unit	1965-66 (Likely achievement) Capacity	1965-66 (Likely achievement) Production	1970-71 Capacity	1970-71 Production
1	2	3	4	5	6
Metals					
1. Iron and Steel					
(*a*) Steel ingots .	000 tonnes	8,900	7,100	14,600	13,000
(*b*) Finished Steel .		6,600	5,300	11,000	10,000
(*c*) Pig Iron for sale .		1,200	1,200	3,200	3,200
2. Alloy, tool and stainless steel (finished) .	,,	50	35	500	400
Aluminium .	,,	73	80	263	260

1	2	3	4	5	6
Mining					
4. Iron Ore .	Million tonnes		22		56
5. Coal	,,		67		113
Machinery					
6. Commercial vehicles .	000 nos.	44	40	100	100
7. Generators—Thermal .	000 Kw.	600	..	3,000	1,500
8. Generators—Hydro .	000 Kw.	500	..	1,700	1,200
9. Turbines—Steam .	,,	600	..	3,000	1,500
10 Turbines—hydro .	,,	500	..	1,700	1,200
11. Transformers 66Kv and above .	000 KVA	4,000	NA	8,000	7,500
12. Transformers 33Kv. and below . .	,,	3,000	3,500	6,000	5,000
13. Power Boilers .	000 Kw.	1,100	Neg.	3,000	1,500
14. Machine tools (Organised sector) .	Rs. million	376	300	1,100	1,000
15. Metallurgical and other equipment .	000 tonnes	30	15	100	60
16. Steel castings .	,,	170	60	300	250
17. Steel forgings .	,,	140	60	300	250
18. Coal and other mining machinery .	,,	45	12·5	60	45
19. Cotton textile machinery .	Rs. million	400	280	500	450
20. Jute machinery .	,,	50	35	100	80
21. Paper machinery .	,,	73	22	400	300
22. Sugar machinery .	,,	175	90	250	220
23. Cement machinery .	,,	178	45	300	280
24. Printing machinery .	,,	30	25	100	80
25. Agricultural machinery					
(a) Agricultural tractors	000 nos.	15	6	40	40
(b) Power-driven pumps	,,	180	180	350	350
(c) Diesel engines (stationary) .	,,	150	80	200	200

1	2	3	4	5	6
26. Fertilizers					
(*a*) Nitrogenous ¶ (in terms of N) .	000 tonnes	586·5	300	2,300	2,000
(*b*) Phosphatic (in terms of P_2O_5) .	,,	270	200	1,000	1,000
27. Drugs and Pharmaceuticals . . .	Rs. millions	1,750	1,500	2,500	2,500
28. Heavy Chemicals :					
(*a*) Caustic Soda .	000 tonnes	330	250	650	550
(*b*) Soda Ash . .	,,	400	320	700	600
(*c*) Sulphuric Acid .	,,	1,400	900	3,500	3,500
29. Dyestuffs . .	000 tonnes	12	10	16	14
30. Automobile tyres .	Mil. nos.	3·3	2·6	7·5	7·0
31. Paper and paperboard	000 tonnes	680	530	1,250	8,100
32. Newsprint . . .	000 tonnes	30	30	175	150
33. Cement . . .	Mil. tonnes	13·0	11·5	25·0	23·0
34. Cotton textiles :					
(*a*) Cotton yarn .	Mil. Kgs.	16·5*	1,000	19·35*	1,230
(*b*) Cotton fabrics . (mill made)	Mil. metres	2,18†	4,770	2·30†	5,450
35. Jute textiles .	000 tonnes	1,219	1,321	1,700	1,700
36. Rayon :					
(*a*) Rayon Filament .	Mil. Kgs.	43·4	40·0	67·0	67·0
(*b*) Staple fibre .	,,	25·5	34·0	35·0	35·0
37. Sugar . . .	Mil. tonnes	3·25	3·20	4·5	4·5
38. Bicycles . .	Mil. nos.	2·0	1·7	3·5	3·5
39. Sewing machines .	000 nos.	500	450	1,000	900
40. Motor Cycles and Scooters . . .	000 nos.	75	50	120	120
41. Electric fans . .	Mil. nos.	2·0	1·5	3·5	3·5
42. Petroleum refining .	Mil. tonnes	15·25	10·55	22·75	22·75

*Million active spindles.

†Lakh looms.

6. *Transport and Communications*

The proposals for transport and communications have been reviewed carefully, keeping in view the related physical targets, the resources available and the need to provide for certain projects which were either not included in the Memorandum or required larger allotments. Targets and programmes in this field are related to a total outlay in the public sector of Rs. 2800 crores. In the scheme of allocations proposed, a provision of Rs. 2768 crores has been indicated. The outlay of Rs. 2800 crores is distributed as follows:

Distribution of outlay on Transport and Communications

(Rs. crores)

	Third Plan		Fourth Plan	
	Initial provision	Anticipated expenditure	As given in the Memorandum	As now proposed
Transport				
Railways	890	1301	1400	1320
Roads	272	459	750	740
Road Transport	25	40	100	65
Inland Water Transport	6	8	20	13
Ports	87	114	200	153
Farakka Barrage	—	32	Nil	50
Shipping	57	52	120	90
Air Transport	55	53	83	71
Meteorology	3	3	7	7
Tourism	8	6	25	25
Lighthouses	6	4	10	6
TOTAL FOR TRANSPORT	1409	2072	2715	2540
Communications	70	117	250	220
Broadcasting	7	8	35	40
TOTAL : Transport and Communications	1486	2197	3000	2800

2. The basic considerations in the planning of transport are, firstly, that the various transport services should be developed as organic parts of a composite transport network; secondly, that both at the national and State level there should be integrated plans for transport covering all media; and, thirdly, that the requirements of industrial and economic development, as assessed from time to time, should be met adequately. A fresh appraisal of transport requirements has been made in relation to plans in the fields of mining, industry and other fields as currently envisaged. The following principal projections of traffic for railways, road transport and major ports have been adopted as the basis of the plan for transport:

Projection of transport requirements

	Unit	1960-61	1965-66	1970-61
Railways				
Goods traffic	Million tonnes originating	156	206	320
	Billion tonnes kms.	88	116	181
Road Transport				
Goods traffic	Billion tonnes kms.	17	35	65
TOTAL GOODS TRAFFIC	Billion tonnes kms.	105	151	246
Major Ports	Million tonnes	35·8	55·4	79 to 80

3. The railway development programme has been formulated now on the basis of a traffic target of 320 million tonnes for 1970-71 as against 355 million tonnes indicated in the Memorandum. The estimates of rail traffic according to broad categories of commodities are as follows:

Estimates of traffic on the railways for 1970-71

(Million tonnes)

Category	1960-61	1965-66	1970-71	
	Actuals	Anticipated	As in the Memorandum on the Fourth Plan	As now revised
1	2	3	4	5
Steel and raw materials .	14·3	23·4	59·5	49·9
Coal	50·4	64·1	118·0	108·1
Cement	6·5	9·0	18·0	16·0
Iron ore for export	2·6	5·6	17·0	13·0
Railway materials (excluding coal)	17·0	22·9	23·0	23.0
Other goods	65·4	81·0	119·5	110·0
TOTAL	156·2	206·0	355·0	320·0

The revised estimates of traffic correspond to production targets of steel ingot of 12·6 million tonnes, of pig iron 3 million tonnes and of coal 110 million tonnes. Provision is made for a 20 per cent increase in passenger traffic over the period of the Plan. In addition to the plan outlay of Rs. 1,320 crores, Rs. 650 crores will be available for expenditure from the Railway Depreciation Fund. It is important that railway programmes should be kept under close review, steps being taken at each stage to ensure expansion of railway capacity in keeping with the requirements of the economy.

4. The proposed provision for road development in the Fourth Plan is distributed half and half between the Central and State road programmes. These programmes have to be reviewed together as parts of a fully connected plan for the development of National Highways, State Highways and other roads. Altogether, about 50,000 kilometres of surfaced roads are expected to be added over the period of the Plan. Central road programmes have been strengthened with a view to making adequate provisions for the Lateral Roads and for strengthening and improvement of roads of strategic importance. As part of their plans, it is proposed that States may make a specific provision, say, to the extent of one-fifth of the total allocation for road programmes, for rural market roads and improvement of rural communications.

5. The number of vehicles on the road is expected to increase from about 3,28,000 in 1965-66 to about 5,70,000 by the end of the Fourth Plan. A large part of the expansion in the industry will be in the private sector which is expected to entail an outlay of Rs. 650 crores. Programmes in the public sector provide for setting up of an Inter-State Road Transport Corporation by the Central Government in which it is proposed that the Central and State Governments and the Railways should participate.

6. The programmes for port development includes a provision of Rs. 50 crores for the Farakka Barrage. The capacity of major ports is expected to increase from about 60 million tonnes at the end of the Third Plan to about 80 million tonnes at the end of the Fourth Plan. Provisions in the Plan will be supplemented by funds at present estimated at about Rs. 50 crores to be provided by the port authorities from their own resources. The shipping development programme provides for an increase in total shipping capacity from about 15 lakh GRT at the end of the Third Plan to about 30 lakh GRT by the end of the Fourth Plan, with further orders of about 5 lakh GRT materialising in the early years of the Fifth Plan.

7. Programmes for civil air transport are tentative, but keeping in view recent trends in traffic, provisions in the Plan will be supplemented by funds to be made available by the two Corporations from their renewals reserve funds. Development of aeronautical services at international airports has to be given high priority. Works at aerodromes may be phased over a somewhat longer period than had been envisaged in the Memorandum.

8. As part of programmes for development of transport in the Fourth Plan, it is proposed to set up a Centre for Research and Training in Transportation. This is intended to be a non-government institution sponsored by the Ministries of Transport, Railways and Civil Aviation and the Planning Commission. The Centre will undertake research into the basic problems of long-term development of transport and road transport, shipping and other industries in the field of transport, including comparative cost studies. The Institute will assist the Central Ministries and the States in undertaking special investigations and surveys and in providing facilities for training in common problems and techniques to persons drawn from Central and State organisations concerned with different transport services, from private industry and from the universities.

9. The telecommunications programme will provide for the installation of 6·5 lakh additional telephone connections over the period of the Fourth Plan, which would be made possible with the equipment to be produced at the existing factory at Bangalore. According to present estimates, the Posts and Telegraphs Departments will find about Rs. 169 crores from its own resources towards the cost of the programmes included in the Plan.

10. The programme for broadcasting includes adequate provision for strengthening external broadcast services, including services for the border areas. Provision for the supply of community listening sets is proposed to be augmented as part of a fully worked out programme for extension of community listening facilities to all villages.

7. Education

Educational planning in the Fourth Plan makes a radical departure from the previous position and links education firmly with economic development. Apart from expansion and additional enrolment at the elementary and secondary levels, the accent is now on consolidation, improvement in quality, prevention of wastage at the elementary level, terminalisation at the secondary stage, diversification at the post-elementary and the post-high school stages, and improvement of science education and work orientation at the elementary and secondary levels. Special emphasis has thus been given to technical, vocational commercial and agricultural education at the post-elementary and post-high school stages. Similarly, special programmes have been included for girls education, improvement in basic education, incentive payments and refresher courses for teachers, and improvement of teacher training programmes.

As regards university education, emphasis is placed on improvement in quality, science education, post graduate studies and research including advanced centres, hostels and student homes, and refresher courses for college teachers accompanied by incentive payments for improvement in qualifications. The Commission is strongly of the view that there should

be no increase in the number of universities and prefers instead the establishment of university centres in places where there are a complex of colleges and disciplines. Additional enrolment in arts courses is not encouraged and an attempt is made to stem the indiscriminate swelling of college admissisions and its consequence in the shape of additions to educated unemployment. It is also suggested that a new look should be given to all courses in higher education with a view to improve their developmental utility and link with manpower planning.

In technical education also the emphasis is on consolidation, improvement in quality, and closer connection with the manpower needs and special requirements of our developing economy. This is particularly necessary because of the rapid rate of expansion which has far outstripped teaching accommodation and equipment facilities and brought down standards. At the same time, provision is made for additional enrolment by expansion of existing institutions and provision of facilities for part-time courses and correspondence courses. A modest provision is also made for setting up new institutions at both the diploma and degree levels, but it is essential to emphasise that these should be carefully located with reference to facilities for industrial training in the vicinity rather than merely considerations of prestige or local pressures. All this will necessarily mean expansion of hostel facilities. Special attention is sought to be paid to development of post-graduate teaching and research, including a further development of the national institutes of technology. Refresher courses and other measures are contemplated both for attracting better recruits to the teaching faculty in teaching institutions and sustaining their academic interest in their special subjects. Management education finds a special mention in these programmes.

The provision for cultural programmes is necessarily of a modest character, but an attempt has been made to gear them to the needs of emotional integration within the country and presentation of its right cultural image abroad. A significant step is being taken in the Fourth Plan for the development of Indian languages including Hindi and the promotion of inter-communication between these languages and their literatures.

Perhaps the most significant new element in the educational plan is the emphasis placed on adult literacy and adult education. Not only is there a massive attempt made to take a big leap forward in the liquidation of adult illiteracy but also to provide for functional literacy linked with development requirements especially in the rural sector by an extensive programme of rural libraries, production of books and functional literature in different Indian languages for the literates and neo-literates in rural India. Importance is also given to the development and expansion of audio-visual aids this purpose.

The educational Plan also envisages significant developments in educational technology from the point of view of both reducation in cost and increased availability of educational facilities. Thus the programme includes schemes for correspondence courses, part-time courses, closer links between industry and technical education, enlargement of existing institutions, and improvement of educational administration. There is also provision for a massive programme of merit and loan scholarships, especially at the collegiate and post-graduate levels.

The programmes outlined above contemplate a financial outlay of Rs. 1260 crores distributed between different educational sectors as below. Details are to be found in the statement that accompanies this note:

	(Rs. crores)
1. Elementary education	406.42
2. Secondary education	295·00
3. University education	169·00
4. Technical education	252·40
5. Adult education	71·00
6. Cultural education	16·18
7. Other programmes	50·00
Total	1260·00

It is hoped that as a result of these programmes discussed above, there will result during the Fourth Plan period not only an expansion in educational facilities, but also a significant improvement in their quality, and above all, a close link with the expanding and diversified needs of our developing economy.

List of the schemes proposed within Rs. 1,260 *crore Plan for Education*

	(Figures in Rs. Crores)
I. *Elementary Education* :	
1. Pre-school education	2·00
2. Additional enrolment including part-time education	192·00
3. Training of teachers	60·82
4. Incentive payments and awards to teachers	5·00
5. Special programmes for girls	25·20

(*Elementry education*—continues)

6. Free supply of text-books and school meals	
(*a*) Mid-day meals	33·00
(*b*) Text-books	7·00
7. Improvement of science in middle schools	16·30
8. Strengthening of senior basic schools	7·40
9. Work orientation of non-basic schools	18·20
10. Other schemes	3·50
11. Capital expenditure	36·00
TOTAL	406·42

II. *Secondary Education* :

1. Additional enrolment	130·00
2. Training of teachers	20·20
3. Incentive payments and awards to teachers	6·00
4. Multi-purpose schools	13·10
5. Conversion to higher secondary schools	14·00
6. Improvement and strengthening of science teaching	33·50
7. Development of selected schools	2·70
8. Special programmes for girls	7·00
9. Other schemes	10·00
10. Junior agricultural schools	20·00
11. Vocational education at the post-elementary stage	10·00
12. Improvement of high schools	10·00
13. Scholarships	10·00
14. Physical education	3·00
15. Preparatory work in regard to processing and implementation of recommendations of Education Commission	5·00
16. Correspondence courses for secondary education	0·50
TOTAL	295·00

III. *University Education* :

1. Additional enrolment and expansion of facilities	55·00
2. Post-graduate studies and research (including advanced centres and refresher courses for college teachers)	18·50
3. New universities/university centres	16·00
4. Hostels and student homes	11·00
5. Staff quarters	5·00
6. N.C.C.	3·00
7. Scholarships/fellowships	45·00
8. Summer institutes/Seminars	3·00
9. Campus development	0·50
10. Rural higher education	3·00
11. Incentive payments and awards to teachers	2·00
12. Physical education	2·00
13. Other schemes (U.G.C.)	4·00
14. Other schemes (Ministry of Education)	2·05
TOTAL	169·00

IV. *Adult Education* :

1. Literacy programme	20·00
2. Libraries	28·00
3. Production of books, reading material and literature for neo-literates	18·00
4. Other programmes	5·00
TOTAL	71·00

V. *Technical Education* :

1. Spill-over and cotinuation programmes	129·60
2. Expansion of diploma courses	21·10
3. Special courses and training programmes at diploma level, such as, DCP, Pharmacy, etc.	6·00
4. Expansion of junior technical and trade schools	15·20
5 Expansion of degree courses	17·00
6 Expansion and development of Indian Institutes of Technology, etc.	9·00
7. Post-graduate courses and research	11·00
8. Management studies, including Institute of Management	3·00

(*Technical education*—continues)

9. Specialised courses and refresher courses at degree level . . .	1·00
10. Revision of staff structure in engineering colleges and post-graduate fellowships for serving teachers	7·00
11. Teacher trainingfellowships schemes	3·00
12. Teachers training centres for polytechnics	3·50
13. Staff quarters	3·00
14. In-Service schemes of training teachers for polytechnics and Colleges	1·50
15. Scholarships to students	15·00
16. Student welfare scheme	1·00
17. N.C.C. training	1·50
18. Central pool for engineering teachers	1·00
19. Central agency for curriculum development . . .	1·00
20. Central agency for materials and supply	1·00
21. Improvement of administration	1·00
TOTAL . . .	252·40

VI. *Cultural programmes*

1. Archaeological survey of India	1·00
2. Akademies	0·90
3. Cultural projects	1·20
4. Libraries	1·00
5. Museums	2·75
6. Cultural scholarships	0·15
7. Gazetteers	0·30
8. Cultural relations	0·93
9. National Theatres	0·75
10. Grants to National Book Trust	0·20
11. Propagation of culture among college and school students (archaeological albums, albums of famous paintings and sets of famous records of classical music)	3·00
12. State scheme	4·00
TOTAL .	16·18

VII. *Other programmes*

1. Educational research and training	10·00
2. Strengthening of educational administration .	10·00
3. Physical education, sports and youth welfare . . .	11·00

(*Other programmes*—continues)

4. Audio-visual education	2·00
5. Development of Hindi and other languages	16·00
6. National Archives	1·00
TOTAL .	50·00
GRAND TOTAL .	1260·00

Summary Statement

	(Rs . in crores)
I. Elementary education	406·42
II. Secondary education	295·00
III. University education	169·00
IV. Technical education	252·40
V. Adult education	71·00
VI. Cultural education	16·18
VII. Other programmes	50·00
TOTAL	1260·00

8. Scientific Research

1. *Atomic Energy Department.*—The Atomic Energy Department has been meeting a good deal of expenditure on developmental schemes of an engineering type relating to power, industrial and, possibly, defence-oriented use. The engineering type of expenditure for productive purposes, however, should be appropriately met out of funds to be allotted by the interested Ministries. The emphasis should be on scientific research in utilising the fund to be made available out of the plan outlay for scientific research outlay.

2. *Ministry of Education (Scientific Depths. and grants-in-aid)*: The Ministry has drawn up its plan proposals with emphasis on schemes of the Survey of India. Economic growth would depend much on effective utilisation of water resources for irrigation and hydro-electric projects, measures for flood control, utilisation of land and mineral resources etc. for which the preparation and maintenance of topographical survey maps are pre-requisites. In addition to expanding the training and routine survey facilities, the survey intends to set up research cells for geodesy, cartography and photogrammetry, and an aerial photo-interpretation training centre with the assistance of the Netherlands Government. Adequate provision will have to be made for the survey of India, to enable it to clear up the backlog, and to start new programmes likely to be of value for economic development. The other Scientific Departments of the Ministry of Education (e.g., Botanical Survey of India, Zoological

Survey of India etc.) would also intensify their programmes of surveys and research.

The non-government institutions, which receive aid from the Ministry of Education are doing excellent work and they should be given more encouragement. As a matter of general policy, it is desirable for the Ministry of Education to give regular or ad hoc grants-in-aid for small units of individual research projects, where necessary independently of other channels of support to give encouragement to research workers with talent.

Training of Research Workers.—An important aim of the Planning of research is to ensure an adequate supply of research personnel for a sufficiently rapid growth of science. This problem requires urgent attention.

(1) It has been estimated that there was an increase of 900 research workers in the C.S.I.R. alone in the Second Plan, and that the total increase in the number of research workers would be about 3,500 in the Third Plan. The requirements of A.E.D., and the C.S.I.R. have been estimated at 6,000 research workers in the Fourth Plan.

(2) A large number of research scientists in Government agencies have been recruited from the universities. Due to such large draft from the Government side and a rapid expansion of university-level education, it is generally recognised that facilities for the training of research workers in universities have become entirely inadequate. It is essential to start a new programme for the training of research workers not only in the universities and higher educational institutions, but also in suitable technological and industrial organisations and enterprises.

(3) A provision of Rs. 15 crores has been kept for the initiation of a programme of training of research workers. At an average cost of Rs. 20,000 per junior research worker per year, the recruitment of one new research worker per year would cost Rs. 3 lakhs over a period of five years, and would give five new research workers at the end of the five-year period. With a provision of Rs. 15 crores, it would be thus possible to get 2,500 or upto 3,000 additional research workers at the end of the Fourth Plan who, however, would have only about 2½ years of experience on an average.

(4) In view of the fact that it takes at least 7 or 8 years of experience to take charge of independent lines of research, at least two plan periods would be required for any substantial progress.

(5) The initiation of a long term programme of training new research workers is essential for creating a base for further expansion of training facilities in the Fifth and subsequent plans. A programme of training 2,500 research workers is not adequate, but may have to be accepted as a minimum scale.

(6) The above provision of Rs. 15 crores is over and above the existing provision made for this purpose, under the Ministry of Education, C.S.I.R. etc.

3. *C.S.I.R.*—For the Council of Scientific and industrial Research a provision adequate for a reasonable expansion of useful programmes, keeping in view the following, would be made:—

Highest priority to be given to consolidation of programmes likely to be of direct or immediate help for economic growth.

Research efforts through cooperative research associations, universities and higher educational institutions and other research units should be expanded.

Only such new research schemes should be taken up as are likely to prove of direct help in economic development of immediate economic benefit.

Staff and resources which have been used for a long period on schemes which have not shown commensurate results should be diverted to more useful purposes.

More important than anything else, it is necessary for the C.S.I.R. to promote research and development in close contact with and also within industrial enterprises.

4. The following distribution pattern is suggested for the allocation of funds amongst the different organisations during the Fourth Plan:—

(Rs. crores)

Organisation	Plan			Non-Plan	Foreign Exchange estimated	Likely spill over during Fifth Plan
	Capital	Revenue	Total			
(*i*) Deptt. of Atomic Energy . . .	26	9	35	57	10	Nil
(*ii*) Ministry of Education (Grants-in-aid & scientific Deptts.)	19	24	43	36	12	Nil
(*iii*) C.S.I.R.	42	28	70	58	25	Nil
Total . .	87	61	148	151	47	Nil

9. Health

The programme for expansion of medical facilities and public health measures for the Fourth Plan may have to be conceived within the framework of long-term targets and scale of facilities suggested by the Health Survey & Planning Committee. This Committee recommended that there should be at least 1 bed per 1000 population by the end of the Fifth Plan period. This would mean an addition of 3,85,000 new beds during the Fourth and Fifth Plan periods. The present position expected by the end of the Third Plan is an addition of about 55,000 beds to 1,85,000 available in 1960-61. Taking into consideration the availability of doctors and other medical personnel, the level of progress during the earlier Plan periods, the financial resources available, etc., an addition of 60,000 beds only has been projected for the Fourth Plan period. This would mean that the increase during the Fifth Plan should have to be very much larger if we are to arrive at the norm of 1 bed per 1000 population by the end of the Fifth Plan.

The health organisations at the level of the Primary Health Centres in rural areas and at municipal level in urban areas should be strengthened to consolidate the gains particularly of the National Malaria Eradication and National Smallpox Eradication programmes. The funds allotted for Primary Health Centres programme should not be diverted. While priority should be accorded to the construction of staff quarters and dispensary buildings for the Primary Health Centres, every effort should be made to observe austerity standards. Hired accommodation may be used for the time being to provide quarters for the staff employed for service in rural areas.

Special organisations should be set up for looking after the maintenance of hospital equipment like X-ray equipment etc.

Model Health Insurance schemes may be prepared so that over a period a comprehensive system of contributory health insurance serving a larger part of population may be established.

2. Special stress has been laid on enlarging training facilities for different categories of medical personnel so that future expansion of medical and public health facilities can be accelerated without facing the difficulties caused by shortage of personnel. To overcome the shortage of teachers in medical colleges, attempts are to be made during the Fourth Plan period to improve post-graduate medical education. To meet the present shortage of qualified personnel in non-clinical subjects, science graduates in these subjects with a little orientation training, wherever necessary, should be utilised.

Out of the 30 medical colleges proposed to be established during the Fourth Five Year Plan, 5 would be regional medical colleges which will be in the nature of higher medical institutions more or less on the pattern of the

Indian technological institutes. These colleges should have adequate provision for staff, equipment, hospital and other facilities so as to form a model for State Governments. This would help in raising the standard of education and training in different regions of the country. It is contemplated that these 5 regional colleges should be under the control of the Centre.

3. The Family Planning Programme should be given high priority. It is very important that an organisational set-up capable of tackling all aspects should be put in position as soon as possible.

Adequate steps should be taken for intensive education and motivation of the people particularly in some of the backward areas of the country. The importance of IUCD and other methods of contraception should be stressed.

Allocation for Health & Family Planning Programmes.

The allocation for Health and Family Planning programmes (excluding water supply and sanitation) for the Fourth Five Year Plan is proposed to be Rs. 578 crores. The split up of this amount under broad headings is given in the table below.

Allocation for health and family planning programmes for the Fourth Five Year Plan

(Rs. crores)

Group	Third Plan (1961-66)		Fourth Plan outlay (1966-71)		Foreign exchange required
	Outlay	Expected expenditure	As given in the memorandum	As revised	
1. Medical care . .	61·7	50·0	250·0	165·0	4·39
2. Communicable Diseases .	70·5	96·0	125·0	83·0	2·79
3. Medical Education, Training & Research . . .	56·3	71·0	225·0	190·0*	14·04
4. Family Planning . .	27·0	31·0	95·0	95·0	18·85
5. Other schemes . . (Indigenous Systems of Medicine, Nutrition, School Health, Health Education, Laboratory services, etc.)	21·0	20·0	55·0	45·0	3·46
Total . . .	236·5	268·0	750·0	578·0	43·53

*In addition, a provision of Rs. 17 to 18 crores is included within a provision of Rs. 95 crores suggested for family planning programmes for the training of medical and public health personnel.

Physical targets :

A table showing the physical targets on the basis of revised allocations is given below:—

Physical achievements of some important programmes for the Third Plan and Targets for the Fourth Plan

S. No.	Items	Position by the end of the Third Plan (1965-66)		Targets for Fourth Plan (1970-71) (additions)	
		Targets	Anticipated achievement	Original	Revised
1	2	3	4	5	6
1.	Hospitals beds (including beds for PHCs.)	2,40,100	2,40,000	60,000	60,000
2.	Primary Health Units . .	5,000	5,223	Strengthening of the existing 5,223 PHCs	Strengthening of the existing 5,223 PHCs
3.	Medical Colleges	75	85	30	30
4.	Annual Admissions (MBBS) . . .	8,000	11,500	8,500	8,500
.	Dental Colleges	14	13	3	3
6.	Annual Admissions (Dental) . .	400	600	400	400
7.	*Available Manpower*				
	(*i*) Doctors	81,000	86,400	45,000	45,000
	(*ii*) Nurses	45,000	45,000	42,000 to 45,000	42,000 to 45,000
	(*iii*) Aux. Nurse Midwives & Midwives .	48,500	35,000	60,000	60,000
	(*iv*) Health Visitors . . .	3,500	3,500	2,000	2,000
	(*v*) Dais/Nurse Dais	40,000	30,000	2,50,000	2,50,000
	(*vi*) Pharmacists	..	48,000	30,000	NA
8.	Malaria	390 NMEP units	393 units	3 5 Units in attack phase and 12 units in consolidation phase and the rest of the total of 393 in the maintenance phase.	3·5 units in atttack phase and 12 units in consolidation phase and the rest of the total of 393 in the maintenance phase.

1	2	3	4	5	6
9. Smallpox	It is expected that 100 percent coverage of the population will have been achieved and only maintenance will be needed.				
10. T.B. . . . . District T.B. Clinics (well equipped)		420	145*	200**	NA
11. *Leprosy*					
(*i*) Population coverage (in millions) .		..	42	140	NA
(*ii*) Leprosy Control Units . . .		235	200	110	NA
(*iii*) Survey, Education & Treatment Centres		..	475	4,945	NA
(*iv*) Training Centres of non-medical Asstts.		..	8	11	NA
12. *V.D.*					
(*i*) Headquarters clinics . . .		19	6	10	NA
(*ii*) District Clinics			101	100	NA
(*iii*) Blood taking outfits to be supplied to MOH Centres		..	..	12,000	NA
(*iv*) Mobile V.D. Teams (Survey and study teams under the Centres) . . .		..	..	4	NA
13. Cholera		..	..	To control cholera in the endemic districts of 8 States.	NA

*Although at present there are 405 clinics in the country.

**Upgrading & establishment of new clinics.

10. Water Supply and Sanitation

A sum of Rs. 371 crores has been provided for water-supply and sanitation programmes in the Fourth Plan. It is proposed to allocate Rs. 246 crores for urban and Rs. 125 crores for rural programmes. The entire provision will be in the States' sector.

2. In the urban areas, water-supply and sanitation facilities have to be provided not only for existing cities where facilities are inadequate, but also for new industrial towns. Special provision will also have to be made for areas endemic with cholera, filariasis and other water-borne diseases. The Fourth Plan Working Group on Water Supply and Drainage has estimated the need for urban water-supply schemes at Rs. 1,000 crores on the basis of the 1961 population. In the Fourth Plan, a sum of Rs. 96 crores is for the cities of Bombay, Calcutta, Madras, Bangalore, Delhi and Cochin, and Rs. 150 crores for other urban areas including areas endemic with filariasis and cholera.

3. The objectives of the rural water-supply programme are :

(a) every village has an adequate water-supply source conveniently located within it or close to it;

(b) areas of endemic cholera, to as large an extent as possible are provided with safe and protected water-supply;

(c) needs of water-supply in scarcity and difficult areas are adequately met to the extent necessary through piped water-supply schemes.

During the Fourth Plan, the provision includes Rs. 45 crores for well construction programmes, Rs. 27 crores for cholera endemic areas and Rs. 38 crores for scarcity and difficult terrains where works requiring a measure of technical skill in design and construction have to be undertaken. In addition to the above provision, an amount of Rs. 10 crores for wells will be forthcoming from the C.D. schematic budget and programmes for the welfare of backward classes. This is a modest beginning as, on the basis of 1961 Census data, the needs of the rural areas including endemic areas, have been estimated by the Ministries concerned at Rs. 600 crores for scarcity and difficult terrains and Rs. 132 crores for simple water-supply schemes like wells.

4. Apart from the problem of the supply and allocation of materials, problems of organisation and planning have come in the way of effective implementation of water-supply and sanitation schemes. Urban water-supply and sanitation schemes, specially the larger ones, need to be phased carefully, so that different parts of the projects are in proper sequence and at each stage certain returns on the outlays incurred are realised. Public Health Engineering Departments should adopt a time-phased system for planning of financial outlays, materials and man-power resources. For better implementation of these schemes, Statutory Water and Sewage Boards should be set up and empowered to float loans and levy cesses. Water-supply and sewage schemes should be taken up jointly to avoid the hazards associated with the spread of cholera, filariasis and other water-borne diseases.

11. Housing and Construction

The following table indicates the Third Plan outlays and those proposed now :—

(Rs. crores)

Schemes	Third Plan	Now proposed
1. Industrial Housing	30·00	60·00
2. Slum Clearance	29·00	60·00

1	2	3
3. Low Income	35·00	135·00
4. Middle Income and Rental	35·00	40·00
5. Land Acquisition and Development	26·00	100·00
6. Village Housing	13·00	65·00
7. Dock Labour Housing	2·00	2·50
8. Plantation Labour Housing	1·00	20·00
9. Experimental Housing, Research, Statistics and Development of building materials	1·00	7·50
10. Other housing schemes	12·50	..
11. Office and Residental Accommodation	25·00	70·00
12. Town Planning	5·50	10·00
13. Urban Development and Local Self-Government Schemes	12·00	35·00
	227·00	605·00
Plan provision		297·00
L.I.C.		100·00
Provident Fund		208·00
		605·00

The break-up of the provision of Rs. 297·0 crores into Central and State Plan outlays will be as follows:—

	(Rs. crores)
Centre	137·5
States	124·5
Union Territories	35·0
TOTAL	297·0

Integration of urban housing schemes

There are at present a number of urban housing schemes in operation with different patterns of financial assistance and income limits for eligibility. The last Housing Ministers' Conference recommended the integration of these schemes into two broad categories, namely, subsidised housing schemes and loan housing schemes and appointed a Sub-Committee of Housing Ministers to examine this question. This Committee has since finalised its report and has recommended that the three schemes, involving subsidy, namely, the subsidised industrial housing scheme, the slum clearance scheme and the low income group housing for weaker sections

of the society should be integrated into one subsidised housing scheme. The other loan schemes might retain their separate entity as at present. The proposed integrated scheme would simplify and rationalise the existing subsidised housing schemes and prepare the ground for undertaking a large programme in the Fourth Five Year Plan. The State Governments, Housing Boards and Local Bodies will be able to build composite housing colonies for allotment to industrial workers, slum dwellers and economically weaker sections of the community according to the need in a particular locality.

Village Housing

The Third Five Year Plan stressed that the essential object of the village housing scheme is to help create healthy enviromental conditions for all sections of the village population and for balanced development of rural life as a whole, and that rural housing is intrinsically a part of the community development and village planning. It was also stressed that specific programme for rural housing as such, was intended to supplement the resources of community development movement at the level of the block and village by way of assistance in the form of technical advice, administration, provision of improved designs and lay-outs, better use of materials and to a limited extent provision of finance. The living conditions of the landless agricultural workers are particularly deplorable and need special attention. It is therefore necessary that housing sites are provided to the landless and the very poor in the vilages.

12. Development of Backward Classes

An important objective of the long term plan for the period 1961—76 is to assist scheduled tribes, scheduled castes and other backward sections of the community to attain a level of well-being comparable with that of other sections of the population. This aim can only be achieved with sustained effect directed carefully to strategic points in the economic and social life of these groups and measures for promoting their integration with the wider regional and national economy. Experience during the Third Plan has brought out the need for much more intensive work than hitherto in these directions as well as for more effective organisation, both within the machinery of the administration and through voluntary organisations. Special provisions made under the Plan for the development of backward classes are intended to supplement resources which should become available from different sectors for the benefit of backward classes, having regard to their number and their pressing needs. Therefore, one of the main objects of the programmes to be implemented under the special allocation for backward classes is to enable them to derive the maximum possible benefit from overall economic and social development.

The Fourth Plan provides for an outlay of Rs. 188 crores for the development of backward classes.

This is distributed broadly as follows :

(Rs. crores)

	Education	Economic Development	Health, Housing and other schemes	Total
Scheduled tribes	18	72	12	102
Scheduled castes	28	16	26	70
Denotified communities and nomadic and semi-nomadic tribes	2	3	2	7
Other backward groups	4			6
	52	91	42	185
Strengthening of voluntary organisations				3
TOTAL				188

To ensure that tribal development blocks obtain their due share of facilities and services under the Plan and to achieve closer adaptation of development programmes to the specific requirements of the tribal population in each area, groups of contiguous tribal development blocks in each district will be constituted into tribal development areas. Collections of tribal villages not large enough to constitute blocks will also be brought within tribal development areas wherever possible. At the area level, it is hoped to undertake planning for communication, resource development, processing industries and higher levels of training in a manner which cannot be achieved within the framework of individual blocks. It is also proposed to strengthen technical and administrative cadres for work among the tribal people, specially at the area level, and to associate tribal research and development centres, tribal leaders and social workers with the detailed formulation of plans of development for individual tribal areas.

A significant programme to be introduced in the Fourth Plan, for which pilot schemes are to be shortly initiated, concerns the provision of house-sites for Harijans and others. This programme is to be integrated with the general rural housing programme so that the maximum benefits may accrue to the scheduled castes and they can be integrated more completely within the general community. The programme is to be directed specially to villages in which there is considerable congestion and the need to improve housing and living conditions among the scheduled castes has become increasingly urgent.

It is also proposed during the Fourth Plan to strengthen voluntary organisations working for scheduled tribes, scheduled castes and other backward classes and to enable them to secure the services of trained social workers to work among the people.

13. Social Welfare

The Fourth Plan provides for an outlay of Rs. 54 crores on social welfare programmes. The most important programme is for women and children, involving an outlay of Rs. 29 crores. In addition to special schemes for women and children, a composite scheme for family and child welfare has been formulated and is to be implemented in close co-ordination with the community development programme and as a cooperative effort between Panchayati Raj institutions and voluntary organisations. It is proposed to strengthen voluntary organisations, so that they can maintain trained workers for carrying out various continuing tasks and thus enlarge the scope of voluntary effort. Provision has been made for a programme for eradication of beggary, specially on the part of able bodied persons and juveniles, in the larger cities and in places of tourist interest, and pilot schemes are being shortly initiated. Provision has also been made for welfare of non-student youth and for rehabilitation of handicapped persons. In addition to welfare programmes, steps are to be taken to implement the proposal in the Third Plan for relief and assistance to physically handicapped persons, old persons unable to work and women and children who may be altogether lacking in the means of livelihood and support. Through this scheme, it is hoped to enable civic bodies, Panchayati Raj institutions and voluntary organisations to induce local urban and rural communities to accept a measure of social responsibility for these three groups.

14. Craftsmen Training and Labour Welfare

The allocation proposed for craftsmen training and labour welfare in the Memorandum was Rs. 145 crores. Of this, training, manpower and employment service schemes accounted for as much as Rs. 130 crores, leaving a balance of Rs. 15 crores for labour welfare programmes. In the scheme of allocations proposed, a small reduction of Rs. 2 crores has been made in the total provision. There will be a proportionate cut in the training and employment services. This is not expected to disturb the physical targets for these schemes.

Craftsmen Training and Training of Craft Instructors

2. It is intended to introduce one lakh additional seats partly by way of expansion of such facilities in the existing Industrial Training Institutes in the Fourth Plan. This tempo of development has been considered necessary in order to ensure that the increasing requirements of skilled

workers in industry, transport, construction etc., are fully met. Necessary provision has also been made for expansion of training facilities for Craft Instructors. Apart from provision of institutional training facilities, the programme also envisages appreciable increase in Apprenticeship Training in Industry under the Apprentice Act, 1961. A scheme for part-time classes for industrial workers already employed in various industries in order to help them enhance their skills and consequently their employment prospects has also been included in this programme.

Other important Training Schemes are (i) establishment of Rural Industrial Training Institutes to cater to the requirements of skilled personnel needed for the rural sector and (ii) Training of Maintenance Personnel and Operators for Mininig Industry.

Manpower and Employment Service Schemes

3. During the Fourth Plan, it is proposed to expand the activities of National Employment Service by strengthening the existing Employment Exchanges, University Employment and Assistance Bureaux and Vocational Guidance and other programmes. *Ad hoc* surveys relating to employment and unemployment problems as well as Area Manpower Surveys have also been planned. Employment Market Information Programme is also likely to be extended to cover all those areas which have not yet been brought within the purview of this programme.

Workers' Education Programme

4. Tentative proposals of the Workers' Education Board which is responsible for administration of this programme include opening of 12 more regional centres, training of 400 Education Officers, 9960 Worker-Teachers, and 5·65 lakhs ordinary workers. The programme aims at training of workers in Trade Union Philosophy, Trade Union Organization, Rights and Duties of workers under the existing legislation etc. A proposal is also under consideration for launching literacy drive among industrial workers.

Surveys and Research and Labour Welfare and Administration

5. These schemes generally aim at strengthening of labour intelligence at the Central and State levels. The Central Institute for Labour Research is expected to start functioning fully in the Fourth Plan. Labour Ministry intends to considerably expand the training facilities provided by the Central Institute of Industrial Relations. It is also intended to establish three more Regional Labour Institutes for specialised training, research and demonstration in all aspects of labour apart from expansion of activities of the existing institutes. A proposal has been made for setting up of a National Safety Council. The remaining research schemes are sponsored by Labour Bureau to collect information on various aspects of labour on a periodic basis.

The schemes falling exclusively within the State sphere include strengthening of Labour Inspectorates in order to ensure effective implementation of labour laws, establishment of Labour Welfare Centres and training of their staff in labour matters.

15. Public Cooperation

The Voluntary Organisations, Educational and other non-official Institutions will be actively involved through the Public Cooperation Schemes in mobilising people's active participation in the implementation of various Plan programmes and important national tasks like family planning, adult literacy, rural development, slum improvement, checking rice in prices, educational work on prohibition, etc. Training in developmental citizenship will also be one of their main activity. These agencies will be strengthened through the schemes of rural and urban Lok Karya Kshetras, Planning Forums, Consumer Service and by providing them facilities for research, training and pilot experimentation. Pioneering successful experiences in organising local activities through community effort will be pooled and multiplied throughout the country. The Construction Service of Voluntary Organisations and Labour Cooperatives will be strengthened and encouraged to take up their due share in the Construction programmes.

Statement showing the Sectoral and Schemewise break-up of Allocation for Public Cooperation Schemes

Sectoral Allocations	(Rs. lakhs)
(*i*) Central Sector	373
(*ii*) Union Territories	90
(*iii*) State Sector	737
TOTAL	1,200

Scheme-wise Break-up	
(*i*) Lok Karya Kshetras, Planning Forums, Educational Work on Prohibition, Consumer Service etc. (Grant) .	383
(*ii*) Research, Training and Aid to Voluntary Organisations (Grant)	317
(*iii*) Loan assistance to Labour Cooperatives and Voluntary Organisations for Construction Service and other Commercial activities	500
Total	1,200

16. Rural Manpower Programme, Hill Areas and Special Areas.

A provision of Rs. 148 crores is being made for Rural Manpower Programmes and for programmes for Hill Areas and Special Areas.

Rural Manpower Programme

The additional employment potential of the Fourth Plan as now formulated is of the order of 15 million outside agriculture and 4·5 million in agriculture. Against this, the labour force will increase in the course of the Fourth Plan period by 23 million. Already, the Third Plan has added to the backlog of unemployment of 8 million at the end of the Second Plan by a further 4 million. In the circumstances, the Committee of the National Development Council on Social Services and Agriculture have called for a large-scale rural manpower programme, specially in the markedly backward areas. During the Fourth Plan period the lag between increase in the labour force and the growth of employment opportunities calls for remedial action on a considerable scale.

Against this background, the Planning Commission envisages a sizeable rural manpower programme aiming at the effective utilisation of rural manpower resources for productive activities and for building up community assets in rural areas. Details of the programme are under consideration in the light of the findings of the inter-State Conference on Rural Manpower held in April 1965. The Rural Manpower Programme is conceived of as a programme, firstly, for providing mass employment, specially in the slack agricultural seasons and, secondly as a means for developing a steadily increasing pool of skilled persons from within each area who will help implement the mass employment programmes.

The details of the programme are being worked out.

Hill Areas and Special Areas

The Committee of the National Development Council on Hill Areas has made important recommendations for accelerating economic development in these areas. The Hill Areas in view include :—

Jammu and Kashmir	all districts
NEFA	
Nagaland	
Manipur	
Tripura	
Himachal Pradesh	
Punjab	districts of Kangra, Simla and Lahaul and Spiti
Uttar Pradesh	districts of Uttar Kashi, Chamoli, Pithoragarh, Tehri Garhwal, Garhwal and Almora.
Assam	districts of Garo Hills, United Khasi and Jaintia Hills, United Mikir and North Cachar Hills and Mizo Hills.
Madras	Nilgiri
West Bengal	Darjeeling.

Working Groups have been constituted in the Ministries of Food and Agriculture, Education, Health, Transport and the Department of Social Security to formulate the schemes and programmes which should be undertaken in the Hill Areas during the Fourth Five Year Plan. By and large, all allocation out of the special provision for development of Hill Areas will supplement the provision which will be made on this account in the Plans of the States and the Territories concerned.

The following areas have been selected for detailed study of their suitability and potential for development as Special Areas:

(i) Andaman and Nicobar Islands,

(ii) Districts of Rewa, Satna, Sidhi, Surguja and Shahdol in Madhya Pradesh,

(iii) Districts of Bhind and Morena in Madhya Pradesh and parts of Kotah and Sawai Madhopur districts in Rajasthan (Chambal valley),

(iv) Districts of Bolangir and Kalahandi in Orissa and Chanda in Maharashtra (to be added to Dandakaranya area).

There may also be other Special Areas selected on the ground of extreme backwardness in development calling for accelerated development.

It is also proposed to undertake work on a few pilot projects under the aegis of the Desert Development Board.

17. Rehabilitation of Refugees

Since January, 1964, nearly 900,000 persons have immigrated into India from East Pakistan, of whom 300,000 persons making nearly 67,000 families were admitted in transit and relief camps. Immigration continues, although at a reduced rate. Provision has, therefore, to be made for an estimated total influx of 1·2 million persons of whom over 400,000 making 100,000 families would, on the basis of past experience, have to be admitted to transit and relief camps. Rehabilitation of 100,000 families would therefore constitute the target for the Fourth Plan.

2. Agriculturist families are likely to number 75,000. On account of shortage of good agricultural land, however, only 45,000 families will be resettled in agriculture. About 35,000 families will be resettled in small scale, medium and cottage industries. 10,000 families in agro-industries and another 10,000 families in trade and professions.

3. About 61,000 families will be resettled in 11 or 12 different States and Union Territories excluding Dandakaranya. About 15,000 families

will be resettled in areas yet to be opened up under the special areas development programme. The remaining 24,000 families will be resettled in the Dandakaranya area.

4. Apart from non-Plan expenditure on relief in transit camps, a development programme amounting to Rs. 69 crores is envisaged for the rehabilitation of refugees. The entire expenditure will be in the central sector of the Plan.

The break-down of expenditure is as follows :

Scheme	(Rs. crores)
Dandakaranya Projects :	
Rehabilitation component	15
Development component	10
Rehabilitation Industries Corporation (RIC)	10
Rehabilitation in States excluding Dandakaranya	23
Technical and vocational training	2
Education and health	5
Rehabilitation Reclamation Organisation	2
Fuller rehabilitations of earlier settlers	2
TOTAL	69

5. More than 160 villages have so far been set up in the Dandakaranya Project. In the Fourth Plan period about 200 new villages will spring up to life. There will be fiive large composite farms providing livelihood to over 2,000 refugee families. Three industrial estates will be set up and employment will be provided to about 12,000 refugees in various cottage, small and medium industrial units of the RIC. About 200 primary schools, 50 middle schools and 4 high schools will be started. There will be two new industrial training institutes. There will be 40 new dispensaries and 10 ten-bed hospitals in the area.

6. The Rehabilitation Industries Corporation will be the chief agency for promoting industries for refugees. This Corporation has already gained useful experience in diverse industrial fields and has been currently managing two industrial estates and more than 25 industrial units of different sizes, manufacturing different products in the eastern region.

18. Miscellaneous

This section provides for expenditure on statistical programmes of the Central Statistical Organisation and State Statistical Bureaus; Plan publicity programmes both at the Centre and in the States; Capital projects; welfare of Central Government employees; expansion of Government printing capacity; research programmes in the fields of social assistance and security and manpower; and training and research in management and administration. The details of individual schemes are being worked out. A total provision of Rs. 79 crores has been made for the 'Miscellaneous' sector.

ANNEXURE

Resolution adopted by the National Development Council

The National Development Council resolves that the overall size of the Fourth Five Year Plan should be of the order of Rs. 19,000 crores investment plus current outlay of Rs. 2,500 crores on the basis of the 1963-64 price level. It recognises that in order to advance towards achieving the largest degree of self-reliance and to fulfil by 1975-76, the objectives outlined in the Congress Party's declarations, the country has to undertake an investment of this magnitude in the Fourth Five Year Plan.

The Council realises that the large investment made in the last three plans has not improved the standard of living of the mass of the people in the measure that was required or anticipated. This has been due in part to a more rapid increase in population and in part to an inadequate increase in agricultural and industrial production. Together with the additional burdens of defence expenditure imposed on the nation since the Emergency in 1962, these factors have caused internal prices and costs of living to rise to levels which are proving onerous to large sections of the community.

These problems have to be tackled resolutely in the Fourth and succeeding five year plans. One of the urgent problems to be grappled with for this purpose is the effective control of population growth. The Plan allocations accordingly provide for the maximum possible effort for educating the country on the subject of family limitation and for organising an effective programme to achieve the objective of rapid reduction of birth rates.

The rise in prices has mainly been due to shortfalls in agricultural production, basically of foodgrains and also of cash crops like cotton, oilseeds etc. The rise in prices of basic commodities had its inevitable reaction on the prices of all goods and on the general cost of living. To deal with this problem the Fourth Plan has to give the highest priority to agricultural production and avoid inflationary financing altogether in the scheme of mobilisation of resources.

The continued growth of industrial production at a satisfactory rate, at this stage of our development, depends very much on the availability of foreign exchange to import machinery and industrial raw materials and components. All possible efforts should be made to secure the maximum increase of our export earnings and to reduce our dependence on imports of items such as machinery, metals and fertilizers, by promoting their domestic production. The Council recognises, however, that with increase in

industrial production as planned there would necessarily be an increase in imports of various kinds of materials, some of which are not available at all in the country and others not produced in large enough quantities.

The Council is of the view that taking into account the need for imports of substantial quantities of machinery and equipment to meet the requirements of plan projects as well as the large obligations on account of repayment of foreign loans and interest charges during the Fourth Plan, the quantum of foreign assistance for the Fourth Plan will have to be substantially larger than in the Third Plan. The assistance that will be available will depend largely on the goodwill and ability of friendly foreign countries and our earnestness and determination to take all effective measures, within our competence, to implement the Plan.

The Council makes an appeal to workers in farms and factories to contribute their share for the success of the Plan in a disciplined way and to put forth their best effort despite the difficult conditions in which they have to work. To those sections of the community which are better off, the Council makes an appeal to restrain expenditure and avoid conspicuous consumption and waste. They have to accept a much larger share of contribution to the national effort both in the interest of the community at large and their own self-interests.

The Council feels confident that, at this time, when the country is engaged in meeting the challenge of serious external threats and has to undertake massive efforts for development, the Nation will rise to the occasion and demonstrate its inherent strength and solidarity. The Council authorises the Chairman to reorientate, alter and amend the Plan as necessary to meet the emergent situation and safeguard the country's security and long-term interests.

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